

 Saskatoon Community Foundation	Statement of Investment Beliefs	Last Review Date: November 2023
	Established: November 2019 Assigned to: Investment Committee	Next Review Date: November 2024

Statement of Investment Beliefs

The Statement of Investment Principles (the “**SIP**”) for the management of the investments of the endowed, non-endowed, and the Managed Funds, collectively the “**Fund**”, managed by the Saskatoon Community Foundation (the “**Foundation**”) will be aligned with this Statement of Investment Beliefs (the “**SIB**”).

1. Good governance at all levels of the Foundation’s decision-making will improve Fund returns.
2. Asset allocation is the primary determinant of risk and return and is the most important investment decision.
3. Tactical asset allocation at the Fund level is unlikely to improve results over the long term.
4. Higher expected returns generally require an investor to assume more risk.
5. Passive management may be a reasonable strategy to obtain market exposure in markets where the median active manager is unable to add value over the long term after costs. The inability for an active manager to add value in a specific market may be due to efficiencies in that market or other factors.
6. Active management may be a reasonable strategy in markets where the median active manager is able to add value over the long term after costs.
7. Diversification can improve the risk-return profile of the Fund.
8. Cost-conscious decision-making will improve the long-term Fund results.
9. Philosophy, process, people and long-term performance, are the key metrics for successful investment manager identification, retention, monitoring and termination.
10. Reactive decision-making based on short-term market conditions or performance can reduce Fund performance.
11. Environmental, Social and Governance (the “**ESG**”) factors can impact corporate sustainability and profitability and are therefore relevant considerations for the Fund and the OCIO’s investment process.
12. Currency movements will generally be neutral in terms of their impact on returns over the long term. However, currency exposure can provide an additional source of diversification reducing the Fund’s volatility.