Evangelical Lutheran Foundation

of Eastern Canada

ELFEC

responsible investing • gift planning

Investment Policy Statement

Table of Contents

Section **Contents**

1. Adoption of Investment Policy Statement

The Board of Directors of the Evangelical Lutheran Foundation of Eastern Canada approved this revised Investment Policy Statement on December 13, 2021.

___________________________________ ___________________________________

Signature Date

Bill Gastmeier, Board Chair

Policy Record

Date Previous Policy Adopted	December 11, 2019
Date for next required Policy Review	April 30, 2022

2. Purpose of the Foundation

The Evangelical Lutheran Foundation of Eastern Canada (ELFEC) is a federally incorporated charity registered by the Canada Revenue Agency (CRA) as a public foundation.

ELFEC's purposes include:

A) To receive and maintain a fund or funds and to apply all or part of the principal and income therefrom, from time to time, to charitable organizations that are also registered charities under the *Income Tax Act* (Canada);

B) To operate as a charity to support and further the life, work and mission of the Evangelical Lutheran Church in Canada, its congregations and affiliated institutions, and other faith-based organizations with similar purposes, which are qualified donees within the meaning of section 248(1) of the *Income Tax Act*.

* The *purposes of the corporation are set out in ELFEC's Articles of Continuance under the Canada Not-for-profit Corporations Act. The Certificate of Continuance was granted by Corporations Canada on April 10, 2013.*

Because the Foundation's head office is in Ontario, the Foundation is required to follow the *Ontario Trustee Act* when making investments. This means taking into consideration the following criteria:

- general economic conditions;
- the possible effects of inflation or deflation;
- the expected tax consequences of the investment decisions or strategies;
- the role each investment or course of action plays within the charity's overall portfolio;
- the expected total return from income and growth of capital;
- needs of the charity for liquidity, regularity of income and preservation or appreciation of capital. The need to produce sufficient income to allow the charity to carry out its purposes must be balanced against the need to maintain and, if possible, increase the capital for the future; and
- an asset's special relationship or special value, if any, to the purposes of the charity or to its beneficiaries;

as well as the requirement to diversify "to an extent that is appropriate to the requirements of the trust and general economic and investment market conditions".

Some of the assets the Foundation manages belong to the Foundation, most having been transferred by individuals or other charities. Other assets are managed on behalf of faith-based charities which retain ownership. The Foundation refers to this latter group as investment partners.

In all cases the Foundation's over-arching purpose is to act as a good steward, preserving assets while generating income that will be used to advance God's mission through the Church and maintaining the Foundation's reputation and supporting its purposes.

3. Purpose of the Investment Policy Statement

The Investment Policy Statement (IPS) describes the key principles, factors and processes to be used by the Foundation's Board of Directors (Board) and financial advisors in making investment decisions.

It is intended to help the Board achieve its investment objectives while managing risk and to guide the Board in the selection, supervision and evaluation of external asset managers.

The Foundation expects external asset managers to follow the terms of the IPS whenever investment decisions are made.

4. Investment Objectives

The Foundation operates two (2) investment portfolios with modestly different objectives and risk profiles.

4.1. Income and Security Portfolio

This portfolio emphasizes the generation of annual income with a moderate degree of investment risk.

The investment objectives for this portfolio are ranked as follows:

4.1.1. The preservation of capital in real terms.
4.1.2. Generation of annual income.
4.1.3. Capital appreciation to provide additional protection against inflation.

4.2. Growth Portfolio

This portfolio places a higher emphasis on capital appreciation and therefore tolerates a higher degree of investment risk.

The investment objectives for this portfolio are ranked as follows:

4.2.1. Preservation of capital in real terms.
4.2.2. Capital appreciation to exceed the rate of inflation.
4.2.3. Generation of annual income.

5. Investment Beliefs

The Foundation's investment practices are guided by the belief that the investment practices must make a positive contribution to the health and sustainability of the communities in which we invest to deliver long-term investment returns.

The Foundation further believes:

1. Not all investment decisions will be equally successful.
2. The assumption of investment risk is necessary to meet the Foundation's long-term objective of earning a competitive rate of return, and the Foundation should be compensated for the risk the charity takes.
3. The Foundation is loss averse and would rather take a less volatile position with more moderate returns to protect against the risk of capital drawdown given the Foundation's distribution requirements.
4. Active management of assets by skilled, professional asset managers is necessary to meet long-term objectives.
5. The selection of the overall asset allocation is the primary determinant of the risk and return of the Foundation's portfolio in the long run.
6. As a long-term investor, the Foundation can benefit from the premium placed on illiquid investments.
7. Value can be added and risk reduced by:
   7.1. diversifying holdings;
   7.2. limiting the percentage of the portfolio invested in a single security or issuer; and,
   7.3. diversifying across asset classes, market sectors, , national, regional or international markets, public markets and private offerings.

5.1. Responsible Investment Beliefs

The Foundation believes that responsible investing is both morally obligatory and economically prudent.

Responsible investing is an investment strategy that incorporates environmental, social and governance (ESG) factors into investment decisions.

The Foundation further believes:

1. a sustainable, viable world is necessary to generate sufficient returns over the long term.
2. that responsible investments have less investment risk, generate sustainable long term returns and bring about positive social change.
3. that fair and transparent financial markets build the trust and accountability needed for economic success.
4. that companies that perform well on environmental, social, and governance factors will have better long-term investment outcomes than those that perform poorly on these factors.
5. that incorporating environmental, social, and governance factors into the investment process for every asset class is necessary and prudent.

6. that by engaging with companies on environmental, social, and governance factors the Foundation can influence positive change, enhance long-term financial performance and reduce risks related to poor environmental, social and governance practices as well as reputational risks.
7. that by incorporating environmental, social, and governance considerations into the Foundation’s proxy voting the Foundation can positively influence corporate behaviour and make positive change for managing risk within the corporation.
8. that monitoring and evaluating companies on environmental, social and governance issues are part of the Foundation’s fiduciary obligation to our donors and partners.

6. Acting on Our Responsible Investment Beliefs

6.1. Principles for Responsible Investment

The Foundation supports international initiatives that inform responsible investment activity. These include the United Nations Principles for Responsible Investment (UNPRI), the Human Capital Management Coalition, the Workforce Disclosure Initiative and the United Nations Declaration on the Rights of Indigenous Peoples.

Where appropriate, the Foundation will seek managers that are signatories to these initiatives.

Under the UNPRI a commitment has been made to the following:

1. Incorporating ESG issues into investment analysis and decision-making processes.
2. Incorporating ESG issues into the Foundation's ownership policies and practices.
3. Being active owners.
4. Seeking appropriate disclosure on ESG issues by the entities in which the Foundation invests.
5. Promoting acceptance and implementation of the Principles within the investment industry.
6. Working with other organizations to enhance effectiveness in implementing the Principles.
7. Reporting on the Foundation's activities and progress towards implementing the Principles.

6.2. Responsible Investment Guidelines and Procedures

The Foundation subscribes to the Christian understanding that God's economy is based on justice for people and care for creation. Thus, the Foundation is committed to stewardship of the assets entrusted in a manner described as "Responsible Investing": weighing environmental, social and governance (ESG) factors alongside financial ones. The universe of ESG issues is broad so the Foundation has chosen to focus on issues pertinent to the Foundation's mission and to the investment partners. This approach allows us to exert a greater influence on specific issues relevant to our stakeholders.

Essential Characteristics
Companies in which the Foundation invests must have the following characteristics

1. **Respect human rights and dignity**
   Companies must respect the rights outlined in the Universal Declaration of Human Rights and other international covenants that protect the freedom, dignity and safety of workers, citizens and other stakeholders.

2. **Respect workers' rights**
   Companies must respect the rights outlined in the *International Labour Organization's Declaration on Fundamental Principles and Rights at Work*, which includes the right of association and the effective recognition of the right to collective bargaining, the prohibition of forced, compulsory or child labour, and the elimination of discrimination in respect of employment and occupation.

3. **Enhance economic and social justice**
   Companies must deal fairly and openly with the governments and peoples of the countries in which they do business, recognizing the right of citizens and communities to participate in decisions that affect their welfare and avoiding practices that exploit people who are economically or socially disadvantaged.

4. **Operate in an environmentally sustainable manner**
   Companies must not act in ways that deprive future generations of a healthy, safe or abundant natural environment through their consumption of resources, generation of harmful by-products, including greenhouse gases, or the destruction of species or habitats.

5. **Support a global culture of peace**
   Companies must not engage in the manufacture or trade of weapons used in military conflicts or violence against civilians.

6.3. Positive and Negative Screening

The Foundation will employ both negative (excluded) and positive (included) screens in the selection of investments. It aims for strict implementation of its negative screens. Positive screens are aspirational.

6.3.1. Exclusionary Screens

The Foundation will not invest in companies that:

1. Are in the production of adult entertainment and/or owns/operates adult entertainment establishments.
2. Generate ten percent (10%) or more of their revenues in the gambling industry, either directly, or as a primary use of their products.
3. Generate ten percent (10%) or more of their revenues in the manufacture, distribution, or sale of tobacco products.
4. Generates more than ten percent (10%) of its revenues, either directly or indirectly, from non-medical cannabis and/or alcohol
5. Engage in the manufacture of weapons and/or weapon systems used in military conflicts.
6. Are involved in the exploration for or primary production of non-metallurgical fossil fuels.

6.3.2. Qualitative Screens

6.3.2.1. Negative Screens

The Foundation will seek to avoid investing in companies whose products or services are not aligned with our beliefs and conflict with the Foundation's principle to act as a good steward of God's creation.

The Foundation will try to avoid companies that have:

1. Violated human rights, including the rights of indigenous people affected by their operations as defined by the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

2. Violated their employees' labour rights or complicit in similar violations within their supply chain.
3. Involvement in corruption or bribery or other major controversies over business ethics.
4. A reputation of damaging the communities in which they operate.
5. Faced major controversies over the negative environmental impacts of their operations, goods or services, whether malicious or not.

6.3.2.2. Positive Screens

The Foundation will seek opportunities to invest in companies that:

1. Explicitly recognize the rights of all peoples and communities within their sphere of influence and actively promote a work environment that encourages diversity and equal opportunity.
2. Recognize employee rights to organize and bargain collectively.
3. Minimize their employees' exposure to health and safety risk.
4. Actively consult and engage with the communities affected by their operations, while recognizing indigenous peoples' right to free, prior and informed consent regarding development that affects their interests and well-being.
5. Have strong policies and management systems in place to monitor and mitigate the negative environmental impacts of their operations especially with respect to carbon emissions.
6. Develop and market products and services that directly contribute to the development of a sustainable economy.

6.4. Responsible Investment Approaches and Procedures

6.4.1. Security Selection

Asset managers will not acquire any securities that fail to conform to the exclusions or qualitative screening criteria defined above. If a company's business activities change such that it now fits the negative exclusion or screens, the manager is expected to divest the holding within the shortest reasonable time.

Asset managers are expected to seek opportunities to adhere to positive screen criteria defined above while still considering traditional financial metrics and without compromising the Foundation's overriding fiduciary duty to its investment partners.

Managers will regularly report on their compliance with negative screening criteria as well as on their efforts to adhere to positive criteria.

6.4.2. Integrated Asset Selection

Asset managers are expected to integrate environmental, social and governance factors into investment analysis and decision-making processes to account for all risks and opportunities.

6.4.3. Research

Asset managers are expected to use a range of objective, reputable research to inform responsible investment decisions.

6.4.4. Proxy voting

The voting agent will vote proxies in the best interests of the foundation, voting in favour or voting against/withholding support for resolutions in a manner that encourages companies to improve their environmental, social and governance performance. The voting agent will report fully quarterly on how all votes were exercised, including reasons for all votes cast against management recommendations.

The fund reserves the right to direct the voting agent how to vote any ballot item for shares held in segregated accounts.

The Foundation's asset managers are its voting agent. The Foundation may appoint a third-party agent as its voting agent at some future date.

6.4.5. Corporate engagement

The Foundation will engage companies represented in its portfolio on environmental, social and governance issues through third parties such as the Shareholder Association for Research and Education (SHARE).

Where external third parties are utilized by the Foundation a quarterly report on all engagement activity will be required from each of the parties. The Foundation will monitor whether its engagement activity is producing positive outcomes.

6.4.6. Impact investing

Impact investing refers to investments made in companies, organizations, and funds with the intention to generate a measurable, beneficial social or environmental impact alongside a financial return. The Foundation will seek investments that contribute positive outcomes in alignment with its goals through impact investments up to the limits specified in its Asset Allocation, and the criteria further detailed in Appendix A.

6.4.7. Reporting

The Foundation will include a section on responsible investment in its annual report. This report will be made available to members at the annual general meeting and to the public through the Foundation's website.

7. Governance of the Investment Policy Statement

7.1. Board of Directors

ELFEC's Board of Directors is ultimately responsible for the investment of the Foundation's assets (the portfolio.) Section 16 (1) of the Canada Not-for-profit Corporations Act confers on corporations "the capacity and, subject to this Act, the rights, powers and privileges of a natural person." Section 124 of the Act, states that "the directors shall manage or supervise the management of the activities and affairs of a corporation."

The Board, always subject to the terms of the IPS, has a responsibility to:

1. Carry out its activities in conformity with all applicable legislation, particularly the *Income Tax Act* (Canada) and the *Ontario Trustee Act*. It is understood that where funds are donated with donor conditions that confer special investment powers, restrict the spending of principal or specify the purpose of a gift, the Board will honour those conditions;
2. Act honestly, in good faith and in the best interest of the Foundation;
3. Exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
4. Approve and periodically review and amend the Investment Policy Statement at a minimum of every three (3) years;
5. Maintain an understanding of legal and regulatory requirements and constraints applicable to the portfolio;
6. Select and engage the custodian and one or more asset managers as its agent[s] and delegate to the managers most asset selection decisions in public markets;
7. Directly make asset selection decisions in private markets, unless delegated to asset managers;
8. Monitor the performance of both the asset manager and the portfolio as well as compliance with the IPS and any specialized instructions and mandates that have been given;
9. Formulate specialized instructions and mandates for the asset managers.
10. Ensure adequate liquidity to cover operating expenses and grants;
11. Resolve conflict of interest issues of asset managers as provided in Section 10.

7.2. Investment Committee

The Investment Committee (IC) is a standing committee of the Board whose composition and mandate have been approved by Board policy.

The Investment Committee is responsible for:

1. Monitoring investment results including meetings with asset managers.
2. Reviewing the IPS and advising the Board on appropriate amendments.
3. Informing the Board of additional investment instruments that could be considered for inclusion in the portfolio.
4. Leading the search for asset managers, doing the appropriate due diligence and research, and reporting the pros and cons to the Board.

5. Reporting to the Board in a timely manner.

The Investment Committee does not have authority to bind the Board, and the Board remains solely responsible for all investment decisions. The IC is designed to assist the Board in fulfilling its fiduciary responsibilities. The Board expects the Investment Committee to provide the pros and cons of potential courses of action, as opposed to making recommendations.

7.3. Foundation Staff Representative

A Foundation Board designated representative, e.g., the Executive Director, is the primary interface between asset managers and the Foundation, as well as the conduit for information to the Board and IC.

The Executive Director is responsible for:

1. Ensuring that unedited asset managers' quarterly reports are distributed to the IC and the Board in a timely manner.
2. Reporting to the board any fact or circumstance that may cause the Board to revise its investment policies.
3. Aiding the IC and Board with respect to the wishes and concerns of the Foundation's stakeholders and partners.
4. Reporting to the Board any fact or circumstance that, in his/her opinion, may cause the Board to revise these responsible investment policies. The Board will, at its earliest opportunity, review the policy considering the information presented.
5. Maintain an understanding of legal and regulatory requirements and constraints applicable to the portfolio;

7.4. Asset Managers

Asset managers manage the actual investment process on behalf of the Board in accordance with this policy.

Asset Managers will:

With respect to delegated authority

1. Make investment decisions subject to the terms of the IPS.
2. Have full discretion in day-to-day investment management of the portfolio (or some portion thereof) consistent with the IPS or any specialized instruction and mandates issued by the Foundation.
3. Ensure that all transactions are completed on a best execution basis.
4. Have the authority to vote all proxies and, in exercising this authority, act prudently and solely in the interest of the Foundation, which retains the right to instruct the asset manager how to exercise voting rights. The Foundation reserves the right to withdraw voting authority at its discretion.
5. Exercise the care, skill and diligence that can reasonably be expected of a prudent person and adhere to the CFA Institute's *Code of Ethics and Standards of Professional Conduct*.

6. Apply the environmental, social and governance factors listed in Section 6 to the portfolio in the following manner:
    6.1. When acquiring a new investment, the asset manager will provide a report on the company's compliance with the Foundation's Responsible Investment criteria.
    6.2. The asset manager will assist the Foundation to be an active shareholder by notifying the Executive Director of all shareholder actions relating to holdings in the portfolio. In such cases the Board reserves the right to direct the asset manager how to respond.
    6.3. The asset manager will assist the Executive Director in the planning and implementing educational activities that support an understanding of responsible investment among the directors, members and investment partners.

With respect to meetings

7. Meet regularly with the Investment Committee, at least two (2) times per year;
8. Provide advice and counsel with respect to the portfolio and discuss key investment strategies with the Investment Committee at its regular meetings.

With respect to reporting and communications

9. Report to the Executive Director all investment activity in detail monthly.
10. Report immediately to the Executive Director any time sensitive developments that might cause the Board to revise any aspect of the IPS.
11. Communicate to the Executive Director recommended changes to an asset manager's mandate or the IPS.
12. Provide quarterly reports on the portfolio to the Foundation within thirty (30) days of quarter-end.
13. Provide certification of appropriate errors and omissions insurance coverage on an annual basis.

Additional Terms

1. The term of appointment will not exceed a period of five (5) years, with the possibility of renewal of the appointment after review.
2. This IPS will form part of the written contract between the parties.

7.5. Custodians

Custody of portfolio assets shall be delegated to a financial institution recognized as a depository for securities.

The Custodian is responsible for:

1. Providing safekeeping for portfolio assets;
2. Processing security transactions as directed by the asset manager and/or the Foundation;
3. Collecting all interest, dividend and other proceeds from securities when due and payable;

4. Informing the asset manager of pending corporate actions (e.g. name changes, mergers, odd lot offerings, redemptions) and processing instructions related to such matters;
5. Depositing funds and paying portfolio expenses including custodial fees from portfolio income as directed by the Foundation;
6. Maintaining records of all transactions;
7. Providing monthly custodial reports to the Foundation;
8. Providing asset managers and other agents of the Foundation with information required to fulfill their duties, or as directed by the Foundation;
9. Providing applicable information as may be requested by the Foundation’s auditor.

7.6. Review and Amendment

This policy may be amended at any time by resolution of the Board.

The Board will ordinarily undertake a review of the Investment Policy Statement at least every three (3) years.

8. Risk Tolerance

The portfolio should be structured and managed to provide for a competitive rate of return commensurate with the appropriate level of investment risk as determined in the IPS. The investment risk inherent in the portfolio can also be viewed in terms of the likelihood that it will generate negative investment returns.

The level of portfolio investment risk exposure will be managed by diversifying holdings, not only by asset class, but by issuer, by industry, by geography, and by term to maturity for fixed income investments.

9. Constraints and Definitions

9.1. Time Horizon

For planning and strategic portfolio structuring purposes, it is assumed that the investment time horizon of the portfolio is long (i.e., greater than ten (10) years).

Because the invested assets under management have a long-term perspective, investment decisions will focus on longer term trends in economic conditions and will not usually pay close attention to changing short-term conditions in the general economy. Changing short-term economic conditions are expected to influence tactical asset allocation decisions by the asset manager, within the ranges set out in this policy as a matter of active risk management.

9.2. Taxation

The Foundation is registered with the Canada Revenue Agency (CRA) as a charitable organization and is exempt from income tax.

9.3. Liquidity Requirements

The Foundation requires liquidity to satisfy its regulatory distribution requirements and meet its operational expenses. Additional liquidity could be used to take advantage of market opportunities and to meet unexpected contingencies.

Liquidity will be maintained in the fixed income allocation of the portfolios by holding high-quality fixed-income securities and securities that are traded on major stock exchanges and by the portion of the portfolio in cash or short-term investments.

Since the Foundation manages non-endowed capital on behalf of other organizations, it is liable to the liquidation and withdrawal of the principal of these funds. Therefore, the Foundation must maintain sufficient exposure to marketable securities so that it could meet these potential obligations in a timely manner without being left with a remaining portfolio that is over concentrated or too illiquid.

The Executive Director will inform the asset manager if there is a need to quickly convert assets into a large amount of cash.

9.4. Unique Circumstances

Unique circumstances refer to an asset's special relationship or special value, if any, to the purposes of the trust or to one or more of the beneficiaries.

None of the securities in the portfolio currently has a special relationship or special value to the purposes of the trust or to one or more of the beneficiaries.

10. Investment Eligibility and Manager Restrictions

10.1. Accredited Rating Agencies

Where credit ratings are specified in this policy, the acceptable rating agencies are:

1. Dominion Bond Rating Service (DBRS);
2. Fitch;
3. Moody's Investors Service; and,
4. Standard and Poor's Ratings Services (S&P).

10.2. Eligible Asset Classes

The portfolio may include pooled funds where necessary to achieve investment objectives. If a conflict arises between this IPS and the policies of the pooled fund the asset manager must notify the Foundation in writing as soon as possible to secure written clarification.

10.2.1. Cash Equivalents

Cash equivalents, excluding deposits issued by Canadian chartered banks, must have a minimum credit rating of R1 (mid) or equivalent and will consist of:

1. deposits,
2. short-term instruments with an original term-to-maturity of 12 months or less and
3. fixed income investments with a remaining term to maturity of 12 months or less.

The following short-term instruments are permitted:

1. treasury bills issued by the Government of Canada or its provinces,
2. deposit accounts in, or term deposits/deposit notes/bankers' acceptances issued by domestic Canadian banks with a long-term debt rating of A+ or better, and
3. commercial paper issued in Canada by Canadian corporations.

Asset-backed commercial paper is not permitted.

10.2.1.1. Fixed Income

The objective of the fixed income portfolio is to maintain a well-diversified portfolio of high overall quality through investment in a majority weighting of good credits rather than a mix of very high and very low credits. Bonds rated the equivalent of BBB - or equivalent and above are considered to be of investment grade.

Investments in the following fixed income investments are permitted:

1. Bonds; debentures; notes; coupons and residuals; N.H.A. mortgage-backed securities; guaranteed investment certificates; supranational debt securities; Maple bonds; Commercial Mortgage-Backed Securities (CMBS).

Such instruments must be issued by one of the following:

1. Issued by the Government of Canada or one of its agencies and guaranteed by the Government of Canada;
2. Issued by a Canadian provincial government or one of its agencies and guaranteed by the provincial government;
3. Issued by a Canadian municipality or regional government;
4. Issued by a Canadian corporation or in the case of Maple bonds, a foreign corporation. *

   * *Maple bonds must be issued by a high-quality foreign issuer in the Canadian market with principal and interest denominated in Canadian dollars and be assigned a minimum AA credit rating equivalent. Maple bonds should not comprise more than ten percent (10%) in aggregate of the fixed income asset class.*

Such instruments must meet the following quality thresholds:

5. All municipal bonds will carry a minimum credit rating equivalent of A.
6. Commercial Mortgage-Backed Securities (CMBS) will carry a minimum credit rating equivalent of AAA.
7. Supranational debt must be issued in Canada by an international government institution with principal and interest denominated in Canadian dollars, and it must carry a AAA rating or equivalent.

The fixed income portfolio will maintain a high degree of safety using credit ratings and thorough analysis. Unless explicitly authorized by the Board, all bonds shall have a minimum credit rating of BBB - equivalent upon purchase. Should a bond's rating fall below BBB – or equivalent, the security will be sold as soon as possible at the manager's discretion.

10.2.2. Common Equities

The common equity portfolio provides the opportunity to generate investment income through dividends, while at the same time offer the possibility of capital appreciation to possibly offset the impact of inflation.

Common equity investments will primarily be focused on high quality, dividend- paying corporations with strong balance sheets and solid earning power operating in stable industries.

The following common equity investments are permitted:

1. Shares issued by Canadian corporations, including real estate investment trusts (REITs) that are listed on the Toronto Stock Exchange.
2. Shares issued by US corporations, included in the S&P 500 or NASDAQ Composite Index.
3. Shares issued by major international corporations.
4. Non-leveraged exchange traded funds (ETFs) listed on major US or Canadian exchanges and sponsored by a major ETF provider.
5. Pooled funds offered by a recognized asset manager.

As responsible investors, we prefer not to hold non-voting common shares. However, such shares may be needed for portfolio diversification purposes.

a) Asset managers will report our holdings of non-voting shares.
b) Outside of pooled funds, the concentration of non-voting shares may not exceed five precent (5%) of the equity allocation.

10.2.3. Alternative Investments

Alternative Investments are permitted if they meet the financial and responsible investment requirements of the Foundation. The Foundation may consider investments that produce an investment income but that may not be rated by a recognized rating agency and may not be marketable securities.

These include, but are not limited to:

1. Mortgage funds
2. Real estate
3. Infrastructure
4. Agriculture
5. Private bonds
6. Private debt funds
7. Impact investments

10.3. Issuer Limits

Unless explicitly authorized by the Board, limits on total investments (at market value) in any one issuer are as follows:

10.3.1. Cash and equivalents

No more than five hundred thousand dollars ($500,000) may be invested in deposits with, or short-term debt issued by, any one issuer. An exception is made for holding of securities issued or guaranteed by the Government of Canada or its provinces, where no overriding limit is set. However, diversification by provincial issuer is advised.

10.3.2. Fixed Income and Alternatives

No more than seven percent (7%) of the fixed income portfolio may be invested in debt issued by any one bond issuer. An exception is made for holdings of securities issued or guaranteed by the Government of Canada or its provinces, where no overriding limit is set. However, diversification by provincial issuer is still advised.

10.3.3. Common Equities

No more than seven percent 7% (at market value) of the common equity portfolio may be invested in shares of any one issuer and its affiliates and no more than five percent (5%) in any one REIT. No more than ten percent (10%) of the common equity portfolio may be invested in REITs combined.

10.3.4. Overall Issuer Limits

No more than ten percent (10%) of the total investment portfolio may be invested in any securities issued by one issuer. An exception is made for holdings of securities issued or guaranteed by the Government of Canada or its provinces, where no overriding limit is set. However, diversification by provincial issuer is advised.

10.3.5. Concentration in Associated Entities

The aggregate exposure to entities with an associated relationship shall not exceed ten percent (10%) of the total investment portfolio. Two or more entities are deemed to be "associated" if one company, directly or indirectly, exerts a controlling interest in the other(s) by way of ownership greater than twenty percent (20%) of outstanding voting shares or two or more companies are effectively controlled by a third company by way of ownership greater than twenty percent (20%) of outstanding voting shares. Participants in a joint venture are deemed to be associated with the joint venture vehicle.

10.4. Additional Constraints, Inclusions and Exclusions

1. The use of leverage or leveraged securities is not permitted. Securities may not be purchased on margin.
2. The lending of securities will not be permitted.
3. Unless explicitly authorized by the Board, currency hedging is not permitted.
4. Derivatives are not permitted. For purposes of the IPS, derivatives are defined as exchanged-traded instruments where the notional value of the contract exceeds the value of the initial investment and over-the-counter forward, option or swap contracts.
5. Investments in cryptocurrencies will not be permitted

11. Asset Mix and Target Allocations

11.1. Income and Security Portfolio

Asset Class	Allocation Range	Target Allocation
Traditional Fixed Income		
Cash Equivalents	0 – 10%	0%
Bonds	20 – 40%	30%
Non- Traditional Income		
Private Real Estate	0 – 15%	10%
Infrastructure	0 – 10%	5%
Agriculture	0 – 10%	5%
Impact Investments	0 – 10%	5%
Private Debt	0 – 10%	5%
Traditional Capital Appreciation*		
Canadian Equities	0 – 20%	10%
US Equities	5 – 25%	15%
International Equities	5 – 25%	15%

- *Total Equities must not exceed 60%

11.2. Growth Portfolio

Asset Class	Allocation Range	Target Allocation
Traditional Fixed Income		
Cash Equivalents	0 – 10%	0%
Bonds	10 – 35%	20%
Non-Traditional Income		
Private Real Estate	0 – 10%	5%
Infrastructure	0 – 10%	5%
Agriculture	0 – 10%	5%
Impact Investments	0 – 10%	5%
Private Debt	0 – 10%	5%
Traditional Capital Appreciation*		
Canadian Equities	10 – 35%	20%
US Equities	7.5 – 27.5%	17.5%
International Equities	7.5 – 27.5%	17.5%

- *Total Equities must not exceed 70%

11.3. Difference Between Portfolio’s Allocations

By design the aggregate target concentration of bonds and private real estate in the Income and Security Portfolio is higher than in the Growth Portfolio.

Again, by design the Growth Portfolio has a target concentration of equities that is greater than in the Income and Security portfolio.

By granting more exposure to equity markets the Growth Portfolio opens to investors the potential for greater long term returns than would normally be achieved by exposure to fixed income and private real estate markets. However, such potential gains come with the assumption of the greater risk and volatility of equity markets versus bond and real estate markets.

12. Reporting and Monitoring

Total returns in the portfolio shall be measured relative to the degree of risk assumed, using appropriate risk-adjusted return calculations for common equities and risk assessment criteria for bonds.

12.1. Performance Benchmarks

In order to factor risk into the assessment of asset manager performance, the risk-adjusted return relative to a corresponding benchmark, expressed in Canadian dollars, shall be measured for both the Income and Security and Growth portfolios.

Asset class managers will be measured against their asset class specific benchmark

The overall portfolios will be measured against the performance of two Composite Benchmarks calculated using the following market indices combined in the same proportion as the portfolio's target asset mix as follows:

Asset Class	Benchmark Index*	Weight for Composite Benchmark	
		Income & Security	Growth
Cash & Equivalents	FTSE Canada 91-day Treasury Bill Index	0%	0%
Bonds	FTSE Canada adjusted Short-Mid Bonds (R566)	30%	20%
Canadian Equities	S&P/TSX Composite ex Energy	10%	20%
US Equities	S&P 500 - CAD	15%	17.5%
International Equities	MSCI EAFE Net-CAD	15%	17.5%
Real Estate	FTSE Canada 91-day Treasury Bill Index + 4.5%	10%	5%
Impact Investments	CPI + 3%	5%	5%
Private Debt	FTSE Canada 91-day Treasury Bill Index + 4.5%	5%	5%
Infrastructure	IPC + 4%	5%	5%
Agriculture	IPC + 4%	5%	5%

*The Benchmark Index indicates the return a passive investor would earn by employing the target asset allocations.

12.2. Performance Assessment

1. Overall asset manager performance will be measured net of investment management fees and is expected to exceed the investment performance of their appropriate Benchmark Index over a rolling four (4) year period;
2. To assess the value added through the asset mix, the following measure shall be used:

Value Added = Performance of Portfolio – Performance of Composite Benchmark

3. The performance of each individual asset class will also be evaluated and is expected to:
   3.1. Exceed the investment performance of the corresponding individual benchmark index over a rolling four (4) year period;
   3.2. If pooled funds are used for certain asset classes, the fund should rank in the top fifty percent (50%) of comparable funds on a rolling four (4) year basis.
4. Further, the asset manager will also be continuously evaluated;
   4.1. for compliance with the IPS, including responsible investment performance criteria
   4.2. compliance with any specific instructions issued by the Foundation; and,
   4.3. the quality of reporting and client service.

12.3. Reporting Responsibilities

12.3.1. Performance Measurement Periods and Reporting

Performance shall be measured annually and on a rolling four (4) year basis, in conjunction with the Foundation's fiscal year-end of December 31st. Performance will be reported and reviewed quarterly.

12.3.2. Reporting Responsibilities

Asset managers shall submit reports with sufficient detail to measure performance as outlined above. Asset managers will submit to the Foundation, for each investment portfolio defined in Section 12 above, a quarterly report that includes:

1. A summary of all transactions for that period with an overview of the portfolio strategy;
2. An asset listing report of all securities held.
3. Information on portfolio performance relative to the agreed-upon benchmarks and, if a pooled fund is used for certain asset classes, relative to comparable funds.
4. Rate of return information for the investment portfolios they manage.
5. A summary of the quality of the portfolio.
6. A list of any holdings in the Fixed Income portfolio rated below BBB - or P-2.
7. A list of all holdings in the portfolio with non-voting shares.
8. Verification that all investments and activity are in compliance with the IPS and documentation of any instance of non-compliance.
9. Compliance with exclusionary and qualitative screening criteria.
10. How all votes were exercised, including reasons for all votes cast against management recommendations.
11. A list of all non-voting common shares held.

Appendix A: Impact Investment Framework

Impact investing refers to investments made in companies, organizations, and funds with the intention to generate a measurable, beneficial social or environmental impact alongside a financial return.

This framework is intended to provide guidance to the Foundation's staff when identifying and screening Impact Investment Opportunities (IIOs) to bring to the Investment Committee for consideration. It is also intended to provide a template for the Investment Committee's evaluation and reporting on IIOs to the Foundation's Board.

Impact Priorities

Building upon Section 6, Acting on Our Responsible Investment Beliefs, the priorities of the Evangelical Lutheran Church in Canada, and the guidance provided by the UN Sustainable Development Goals, the Foundation has chosen to prioritize specific outcomes for its impact investments. While the Foundation recognizes many other goals are worthwhile, the Foundation believes that we have the potential to create greater impact by prioritizing fewer areas with its limited resources.

The priority areas are as follows:

Priority	Relationship to U.N. Sustainable Development Goals
Elimination of poverty in Canada	1. No poverty 2. Zero hunger 4. Quality education 10. Reduced inequalities
Reconciliation with Indigenous peoples and advancement of Indigenous social and economic goals	3. Good health and well-being 8. Decent work and economic growth 16. Peace, justice and strong institutions
Promotion of the sustainable use of our environmental resources, including the atmosphere, land, and water	6. Clean water and sanitation 7. Affordable and clean energy 12. Responsible consumption and production 13. Climate action 14. Life below water 15. Life on land

Geographic Focus

The Foundation will target eighty percent (80%) of the impact investing allocation (i.e., four percent (4%) of the assets of the Income and Security portfolio) to opportunities producing impacts for Canadian communities, and twenty percent (20%) (i.e., one percent (1%) of the assets of the Income and Security portfolio) to opportunities producing impacts for international communities. For Canadian projects, the

Foundation will prioritize opportunities that are producing impacts in multiple communities, ideally across multiple provinces.

Financial Considerations

All types of investments will be evaluated on the criteria identified in the assessment matrix detailed below.

For the impact investment allocation as a whole, an average annual total net return for the sub-portfolio of four percent (4%) will be targeted. This implies that some investments may be above or below this return target if the combined average return is achieved.

Eligible Investment Types

While all types of investments may be considered, the Foundation will privilege investments with the capacity to produce investment income to support its recurring obligations. Example investments which may be considered include, but are not limited to:

1. Shares (common and preferred)
2. SAFEs (Simple Agreement for Future Equity)
3. Limited partnerships
4. Community bonds
5. Social Impact Bonds
6. Debentures
7. Promissory Notes

Impact Measurement and Management

The Foundation considers the intentional monitoring and management of impact to be an important accountability practice for investment providers claiming to produce these benefits. The Foundation considers the risk of intended impacts not being achieved (i.e., impact risk) as a material risk in the evaluation of these investments.

At the same time, the Foundation recognizes that impact measurement is a non-standardized process, and that many impact investment providers are smaller organizations for whom unique or specialized reporting requirements provide an additional burden.

Therefore, the Foundation will give priority to organizations and opportunities that are able to provide a relevant means of measuring and communicating the impact they are achieving. The ability to capture and communicate these results is a valuable factor for the Foundation’s stakeholders.

The Foundation will also continue to work with relevant partners and experts to improve our capacity to assess the impact risk and to evaluate measurable, beneficial social or environmental benefit of the opportunities.

Impact Investment Assessment Matrix

Factor	Rating (1-5)	Weight	Weighted Score	Notes
Capital Preservation		15%	0	
Liquidity		5%	0	
Income/Cash Yield		10%	0	
Geographic Diversification		5%	0	
Diversification from existing holdings		7.5%	0	
Track Record		7.5%	0	
Target Return		15%	0	
Alignment of Principles		5%	0	
Strength and Depth of Management Team		10%	0	
Impact Measurement		10%	0	
Impact Risk Management		10%	0	
Total Weighted Score		100%	0	

Appendix B: Glossary of Terms

Term	**Definition for purpose of ELFEC IPS**
Adult entertainment	Adult entertainment means any dance, amusement, show, display, merchandise, material, exhibition, pantomime, modeling or any other like performance of any type for the use or benefit of a member or members of the public or advertised for the use or benefit of a member of the public where such is characterized by an emphasis on the depiction, description or simulation of "specified anatomical areas", or the exhibition of "specified sexual activities.
Agriculture	Investment opportunities with organization's that plant, grow and harvest crops. Many of these firms also engage in such supporting activities as distribution, processing and packaging within the agricultural sector.
Asset allocation	The process used to determine the appropriate proportions of an investor's portfolio to invest in different asset classes. (IMT)
Asset class	A specific category of assets or investments, such as cash, stocks, bonds, real estate, and international securities. Assets within the same class generally exhibit similar characteristics and, most importantly, behave in a somewhat similar manner in the marketplace. (IMT)
Asset-backed security (ABS)	A debt security backed by a pool of financial assets, including mortgages (in which case they are known as mortgage-backed securities), credit card receivables, automobile loans, or other debt obligations. (IMT)
Bankers' acceptance (BA)	A commercial draft (i.e., a written instruction to make payment) drawn by a borrower for payment on a specified date. A BA is guaranteed at maturity by the borrower's bank. (IMT)
Best execution basis	Best execution is a significant investor protection requirement that essentially obligates a broker-dealer to exercise reasonable care to execute a customer's order in a way to obtain the most advantageous terms for the customer. As the circumstances of each order and trading environment vary, so does the determination of what is best execution. Broker-dealers must be cognizant of the duty of best execution they owe customers when they receive, handle, route or execute customer orders in equities and debt securities. (FINRA)
Bond	A debt security secured by physical assets. (IMT)

Term	Definition for purpose of ELFEC IPS
Commercial paper / Asset-backed Commercial Paper (ABCP)	An unsecured money market security issued by a corporation, or in asset-backed security form, backed by a pool of underlying financial assets. Commercial paper is issued by large firms with an established financial history. Rating agencies rank commercial paper according to the issuer's ability to meet short-term obligations. Commercial paper may be bought and sold in a secondary market before maturity at prevailing market rates and generally offering a higher yield than Government of Canada T-bills. (IMT)
Commercial Mortgage-backed Securities (CMBS)	A security backed by a pool of commercial mortgages.
Common equity	- See Common shares
Common shares	Securities issued by a corporation that represent ownership interest in the corporation. Common shareholders have voting rights and a claim on the company's residual earnings and assets, and may be entitled to receive dividends, if declared by the company's Board of Directors. (IMT)
Community bonds	Are interest-bearing bonds intended for small scale, non-accredited investors and can only be issued by a non-profit organization.
Coupon	The cash flow of a fixed-rate bond consists of regular interest payments, known as coupons, that take place over the term of the bond and the final principal payment.
Debenture	A debt security that is backed only by the full faith and credit of the issuer, rather than a specific asset. (IMT)
Deposit note	Ranked as secured debt, these loans are issued by corporations on the understanding that they will be given first preference in case of bankruptcy. (IMT)
Derivative	A derivative can be defined as a financial instrument whose value depends on (or derives from) the values of other, more basic, underlying variables. Very often the variables underlying the derivatives are the prices of traded assets. (Hull) The instruments are also known as contingent claims, since their values are contingent on the performance of underlying asses. (Elton / Gruber). A financial contract whose value is derived from, or depends on, the value of some other asset. (PMT) Derivative

Term	Definition for purpose of ELFEC IPS	
	contracts can either be standardized and traded on an derivatives exchange or negotiated, with a counterparty, and transacted “over-the-counter.”	
ESG	Environmental, Social, and Corporate Governance (ESG) is an evaluation of a firm’s collective conscientiousness for social and environmental factors.	
ESG Investing	Integrating environmental, social and governance practices with more traditional financial analysis into the evaluation of an investment opportunity with the objective of increasing return and decreasing risk.	
Exchange Traded Fund (ETF)	An ETF represents shares in a basket of securities, which may be indexes, stocks, bonds, or commodities. An ETF is publicly listed on a stock exchange and combines certain features of mutual funds and closed-end funds, because they can be purchased and sold throughout the trading day at the current bid or ask price. (IMT)	
Geography	Permitted geographies for ELFEC portfolio investments comprises all of Canada.	
Guaranteed Investment Certificate (GIC)	An investment that works like a special kind of deposit. Most GICs pay you a set rate of interest for a set length of time. Some GICs are based on the performance of a benchmark such as a stock exchange index. (OSC)	
Illiquid investments	– see Liquidity (risk)	
Impact investing	Selecting an investment with the intention of generating a positive, measurable social and environmental impact alongside a financial return.	
Impact risk	Is the likelihood that impact will be different than expected, and that the difference will be material from the perspective of those who experience impact.	
Industry	The portfolios have pre-defined screens that apply to some industries, these are generally accepted industry classifications.	
	Global Industry Classification System (GICS) (IMT, S&P)	
	Consumer Discretionary	▪ Automobiles & Components
		▪ Consumer Durables & Apparel
		▪ Consumer Services

Term	Definition for purpose of ELFEC IPS	
		▪ Media
		▪ Retailing
	Consumer Staples	▪ Food & Staples Retailing
		▪ Food, Beverage & Tobacco
		▪ Household & Personal Products
	Energy	▪ Energy
	Financials	▪ Banks
		▪ Diversified Financials
		▪ Insurance
	Health Care	▪ Health Care Equipment & Services
		▪ Pharmaceuticals, Biotechnology & Life Sciences
	Industrials	▪ Capital Goods
		▪ Commercial & Professional Services
		▪ Transportation
	Information Technology	▪ Software & Services
		▪ Technology Hardware & Equipment
		▪ Semiconductors & Equipment
	Materials	▪ Materials
	Telecommunication Services	▪ Telecommunication Services
	Utilities	▪ Utilities
	Real Estate	▪ Real Estate
Infrastructure	The basic physical and organizational structures and facilities (e.g., buildings, roads, power supplies) needed for the operation of a society or enterprise.	
Investment Risk	It is understood that there is no universally agreed-upon definition of investment risk, one interpretation that has gained widespread acceptance is the **volatility of returns**, which is defined as the extent to which the returns of a security or	

Term	Definition for purpose of ELFEC IPS
	portfolio differs from the average or expected return. The more volatile returns are, or the more an individual return differs from the average or expected return, the greater the risk. A security's or portfolio's volatility is often referred to as the total risk of the security. Some widely accepted models separate total risk into two parts: (1) **systematic risk**, also known as **market risk** (beta), and (2) **unsystematic risk**, also known as non-market risk (which is not related to the overall market and unique to each security or portfolio). Focusing on **market risk** – it is the risk of investments declining in value because of economic developments or other events that affect the entire market. The main types of market risk are: (1) **Equity risk** – The market price of shares varies all the time depending on demand and supply. Equity risk is the risk of loss because of a drop in the market price of shares; (2) **Interest rate risk** – applies to debt investments such as bonds. It is the risk of losing money because of a change in the interest rate. For example, if the interest rate goes up, the market value of bonds will drop. (3) **Currency risk** – applies when you own foreign investments. It is the risk of losing money because of a movement in the exchange rate (how much one country's currency is worth in terms of another. In other words, the rate at which one currency can be exchanged for another). For example, if the U.S. dollar becomes less valuable relative to the Canadian dollar, your U.S. stocks will be worth less in Canadian dollars. Lastly, consider **Credit risk** – is the risk of loss from deterioration in the credit quality of issuers and securities. It is often associated with corporate debt securities, but it can also be a significant factor in the performance of a company's equity securities. Credit risk can also be a serious concern for those invested in bonds issued by governments with significant economic challenges. Closely related to Credit risk is **default risk** – the risk that an issuer of a debt security may be unable to make timely principal and interest payments. For **liquidity risk** – see Liquidity (risk) (IMT & OSC)

Term	Definition for purpose of ELFEC IPS
Issuer	An organization that offers securities for sale to investors. Examples: corporations, investment trusts and government bodies. (OSC)
Limited Partnership (LP)	LP structures are often used by investment managers for product offerings. An LP is a common form of business organization, with one or more general partners who manage the business and assume legal debts and obligations, and one or more limited partners who are liable only to the extent of their investment. (PMT)
Liquidity (risk)	In the context of ELFEC it is the risk that it will not have readily available funds to meets its obligations and/or operating expenses without incurring unacceptable economic losses resulting from converting assets into cash. (PB adapted from Venkat & Baird).
Maple bonds	Canadian dollar denominated bonds issued by foreign borrowers in the domestic Canadian fixed-income market. (Bank of Canada (BoC))
Mortgage funds	Are a type of investment where investors buy units in a fund that is managed by a professional fund manager. The money is then given to borrowers as mortgage loans where they can use the money to buy or develop properties.
National Housing Act (NHA) mortgage-backed securities	Canada Mortgage and Housing Corporation (CMHC) guarantees timely payment on NHA Mortgage-Backed Securities (NHA MBS) that are issued by Issuers and backed by Pools. Under the Program, Investors receive principal and interest (P & I) payments. CMHC as agent of Her Majesty in right of Canada undertakes to make payment of principal and interest in respect of any such NHA MBS where the Issuer has defaulted in fulfilling such obligation of timely payment to Investors or their representative. Such guarantee is a surety and is referred to hereafter as the CMHC Guarantee or the NHA MBS Guarantee. The NHA MBS Program aims to provide a mechanism to convert the supply of private Investor funds to Loans at reasonable rates of interest, and to provide a more efficient secondary mortgage market. (CMHC)
Non-leveraged ETFs	- See Exchange Traded Fund (ETF)
Non-voting common shares	Common shares with no voting privileges. Most non-voting common shares, however, give shareholders limited voting rights or full voting rights under certain circumstances. (IMT)

Term	Definition for purpose of ELFEC IPS
Notes	- See Deposit notes
Odd lot offerings	Less than 100 shares … is that the context?
Pooled funds	An open-ended trust which investors contribute funds that are then invested, or managed, by the institutional investment manager. (PMT)
Preferred shares	Preferred shares also represent an ownership interest in the issuing company (like common shares). Preferred shares are characterized by their par value and dividend rate. Preferred shareholders have a claim on a company's assets that is equal to the preferred share's par value. Preferred shares are sensitive to interest rates and are considered more like a debt security than an equity security and are sometimes included in the allocation to debt securities. (IMT)
Private bonds	A bond from the issuing private entity such as a corporation.
Private debt funds	A private debt fund specializes in the kind of lending activity that's handled by a variety of entities aside from banks. These funds raise money from investors before lending that money to a wide range of companies.
Promissory notes	A signed document containing a written promise to pay a stated sum to a specified person or the bearer at a specified date or on demand.

Ratings table (IMT)	Fitch	S&P	Moody's	Moody's Description
Investment grade	AAA	AAA	Aaa	Minimal credit risk
	AA+	AA+	Aa1	Very low credit risk
	AA	AA	Aa2	
	AA-	AA-	Aa3	
	A+	A+	A1	Low credit risk
	A	A	A2	
	A-	A-	A3	
	BBB+	BBB+	Baa1	Moderate credit risk
	BBB	BBB	Baa2	
	BBB-	BBB-	Baa3	

Term	Definition for purpose of ELFEC IPS
Real Estate	Refers to land and/or any of the fixed assets (residences, buildings, and factories) built upon it. (IMT)
Real Estate Investment Trust (REIT)	An income trust that invests in and manages a diversified portfolio of real estate assets. (IMT)
Residual	A debt security representing a fixed-coupon bond's principal that has been stripped from the coupon payments. (IMT)
Return	There are different types of return calculations depending on the assumptions used for the timing of cash flows in and out of portfolios. The two most likely methods to be used are: (1) dollar-weighted or money-weighted return; and (2) time-weighted return. (IMT)
Risk	- See Investment Risk
SAFEs (Simple Agreement for Future Equity)	An agreement between an investor and a company that provides rights to the investor for future equity in the company similar to a warrant, except without determining a specific price per share at the time of the initial investment. The SAFE investor receives the future shares when a priced round of investment or liquidity event occurs. SAFEs are intended to provide a simpler mechanism for start-ups to seek initial funding than convertible notes.
Social Impact bonds	Also known as pay-for-success financing, pay-for-success bond, social benefit bond or simply a social bond, is one form of outcomes-based contracting. Although there is no single agreed definition of social impact bonds, most definitions understand them as a partnership aimed at improving the social outcomes for a specific group of citizens.
SRI	Socially responsible investing.
SRI Investing	Selecting or eliminating investment opportunities according to specific ethical or moral guidelines. Frequently overlaid on ESG investing.
Supranational debt securities	Debt securities of supranational institutions - are those owned or established by governments of two or more countries. They are usually established by international treaties to pursue specified policy objectives and are generally not subject to commercial law. Other rated supranational institutions include multilateral insurance companies, monetary funds, regional public policy institutions, and vehicles that provide budgetary financing or that pool overseas direct assistance. (S&P)

Term	Definition for purpose of ELFEC IPS
Term deposit	An investment that you buy and hold for a set period. You get back the money you invested only at the end of that time. (OSC)
Term to maturity	The amount of time remaining until a security matures.