

The Brant Historical Endowment Fund

The Board of Directors of the Brant Historical Society has requested that the Board of Endowment Trustees undertake to amend the Brant Historical Endowment Fund By-Laws (as Amended on March 18, 2009).

In order to do so, a two-thirds (2/3rds) vote of the members in good standing is required for approval of this decision.

The purpose of the Amendment being proposed is to allow the Board of Endowment Trustees to achieve improved rates of return on restrictive investments which are currently yielding returns below the rate of inflation and inhibit growth of the Endowment Fund. The Trustees have a duty to provide maximum benefit to the Brant Historical Society in line with other similar funds.

Notice of Motion to replace paragraph (x) of the Brant Historical Endowment Fund Bylaws which reads:

“Investments will be made by the Trustees from the Capital of the Trust in Guaranteed Investment Certificates, Treasury Bills, Government of Canada Bonds and any and all other investments in which the investments are fully insured as to principal and interest.”

and replace it with the following:

Endowment Fund Investment Policies

Investment Objective

The primary investment objective of the Endowment Fund is to produce a rate of total return which will permit maximum support for the General Operating Fund of the Brant Historical Society to the extent that is consistent with the following: prudent management of investments, preservation of principal, potential for long-term asset growth, and socially responsible investment practices.

Investment Guidelines

Permissible Investments

Endowment Fund assets may be invested in publicly-traded common and preferred stocks, convertible bonds and preferred stocks, bank common funds, mutual funds and fixed income securities (including corporate bonds and money market instruments), whether interest-bearing or discount instruments, subject to any restrictions hereinafter specified.

Investments and Transactions That Are Not Permitted

Equity Investments - The following are **not** permissible investments: common stock in non-public corporations, letter or restricted stock, derivative instruments, initial public offerings, buying or selling on margin.

Fixed-Income Investments — The following are **not** permissible investments: tax-exempt bonds; bonds, notes or other indebtedness for which there is no public market (private placements); direct placement of mortgages on real property except to the Brant Historical Society to finance the remodelling, construction or purchase of a new building.

Options and Futures Transactions are not permitted in futures contracts nor in options contracts of any kind.

Asset Mix

The investment objective of the Endowment Fund implies a balanced approach. The following asset allocation guidelines may be modified from time to time by the Endowment Fund Board of Trustees.

	<u>Long-Term Target</u>	<u>Allowable Range</u>
EQUITY	60%	30% to 70%
FIXED INCOME	40%	30% to 70%
SHORT-TERM	0%	0% to 20%

Equity Securities - No more than 25% of the book value of any equity portfolio may be invested in the securities of any one issuer. No more than 20% of any equity portfolio may be invested in the securities of any one market sector.

Fixed-income securities - The fixed-income securities of a single issue or issuer are limited to no more than 20% of the book value of the fixed-income portfolio.

Short-term investments - The quality rating of commercial paper must be at least A-1 as rated by Standard & Poor's, or P-1 as rated by Moody's. Any money market funds utilized must comply with the quality provisions for fixed-income securities or short-term investments.

Foreign Securities - The total value of investments in securities whose issuers are foreign corporations and investments in mutual funds comprised primarily of foreign securities shall be limited to 25% of the assets of the Endowment Fund.