Investment Management Services

Request for Proposals

February 10, 2025

The Vanier Institute of the Family, a charitable organization registered under the Not-for-Profit Corporations Act of Canada, is issuing this Request for Proposals (RFP) for investment management services.

General information about the Vanier Institute is available on our organizational website: www.vanierinstitute.ca. Previous annual reports and audited financial statements can be accessed through the "Annual Reports" link under "About Us".

Background Information

The following information is provided to assist proponents in developing their submission. Numbers have been rounded.

History and endowment

The Vanier Institute of the Family was established in 1965 by Pauline and Georges Vanier as his term as Governor General of Canada was ending. It followed on their public work promoting and supporting family wellbeing through hosting the Families in Canada conference in 1964. As a demonstration of gratitude, the Government of Canada and several provinces provided an initial endowment and matched funds contributed by other donors for the first few years of operation. This endowment has been well managed and, over the near 60 years of operation, the investments held by the Institute have grown to just under $20 million.

Since 2006 the investment portfolio has been managed by Beutel Goodman and Associates, with RBC Dexia providing custodial services.

Annual requirements

The annual operating budget of the Vanier Institute is almost entirely funded by transfers from the investment portfolio. In the 2025 financial year, the Institute will require approximately $1.3 million. This budget represents the requirement to meet the Canada Revenue Agency's disbursement quota for charities holding assets not being used for charitable purposes (3.5% of the first million in relevant assets, and 5% of everything else), plus the administrative and governance expenses of the Institute.

Investment management and oversight

The Board of Directors is responsible for the stewardship of the charity's assets, including investments. This responsibility is delegated to the Finance, Audit, Investment, and Risk (FAIR) Committee of the Board of Directors, which is supported by the Institute's Director of Corporate Services.

The Board of Directors approves the Investment Policy of the Institute (see Appendix A), which is reviewed regularly by the FAIR Committee.

The FAIR Committee receive reports from the Investment Manager on a quarterly basis and ensures compliance with the Investment Policy.

ESG and ethical investing

The Investment Policy of the Vanier Institute requires that all corporate investments be subject to ESG screening. The Policy further expects that the Investment Manager will engage in ownership decision-making processes toward increasing corporate ESG performance and shall report on ESG activities at least annually.

The Institute has not enacted any policies related to mission-related direct investing. Any such investment decisions would, per CRA and trustee requirements, be at the sole discretion of the Board of Directors and require their due diligence. However, the Vanier Institute may be receptive to proposals from respondents that include the possibility of recommending or facilitating direct investments which contribute to fulfillment of the charity's mission.

Institute staff

The Executive Director (ED) of the Vanier Institute is appointed by the Board and accountable to them for the operations of the Institute. The Executive Director, since February 2022, is Margo Hilbrecht, Ph.D. Her contract ends in June 2025 when she will be retiring. The Board of Directors has appointed a recruitment committee to identify her successor.

The ED is supported by the Director of Corporate Services (DCS), who is responsible for the financial management of the organization, and for the relationship with the external auditor. Martin Settle, CPA, has served as the DCS since March 2022.

Six other full and part-time staff are employed by the Institute but are not involved in investment management activities.

General Instructions

The Vanier Institute is seeking proposals from qualified firms for the provision of investment management services. The commencement date of the contract is subject to negotiation with the respondent and the current Investment Manager. The initial contract should be for a period of not less than three years, with the option to continue indefinitely.

Interested firms should **confirm their intent to submit** a proposal to msettle@vanierinstitute.ca no later than 5:00 pm on Friday, March 7.

Proposals must be submitted by email to msettle@vanierinstitute.ca no later than 5:00 pm on Monday, March 24, 2025.

Proposal Content

The descriptions of proposal content that follow are not intended to be prescriptive, limiting, or exhaustive – they are intended only to serve as a guideline. Proponents are invited to provide any information that they believe would assist the Vanier Institute in positively assessing their proposal.

Please address the following:

- The proposed service team and their relevant experience.
- Your firm's history and record of performance.
- The total funds under management, and number of portfolios.
- Your firm's approach to ESG assessment, including disclosure of any third-party evaluation tools.
- Your firm's approach to active ownership. Consider providing examples of shareholder engagement undertaken.
- Any unique or defining approaches you bring to investment management, portfolio structure, or social impact.
- If necessary, any expectations of or requirements for investment custodianship (particularly if this would involve a move from RBC Dexia).
- References from three not-for-profit organizations.

The proposal should provide a formula for the calculation of fees that would be charged for the investment management services, as well as a schedule of any other charges that may be applicable. As the Vanier Institute is a registered charity, offers to donate back a portion of fees will be considered within the overall assessment of the proposal. However, as such donations cannot be contracted, they will not be factored into the assessment or comparisons of proposal cost.

All prices should be quoted without HST included.

Proponents are also invited to include a commentary on the current macroeconomic environment and a reflection of the suitability of the Vanier Institute's Investment Policy and asset mix guidelines for meeting organizational objectives and income needs within the current environment.

Inquiries

Any questions regarding this RFP can be directed to the Director of Corporate Services, Martin Settle, at msettle@vanierinstitute.ca, no later than 5 pm Eastern on Monday, March 10, 2025. All questions received by that time, and responses from the Vanier Institute, will be shared with all proponents on March 14, 2025.

Evaluation

The evaluation of proposals shall be conducted by members of the FAIR Committee, supported by the Director of Corporate Services. The FAIR Committee may invite proponents to present to the meeting of the Committee on April 28, 2025, prior to making a final decision.

Conditions and Limitations

- Any expenses incurred by proponents in preparing their response to this RFP or in establishing a contract with the Vanier Institute are their own and will not be paid or reimbursed by the Institute.
- Any proposal submitted in response to this RFP must remain open for acceptance for a period of at least 60 days following the closing date.
- The Vanier Institute will not be obligated to perform any act or incur any liabilities by either the issuance of this RFP or the Institute's receipt of any information or proposals in response.
- Nothing in this RFP will be interpreted as creating any obligation on the part of the Vanier Institute.
- The assessment of responses and any award of a contract as a result of this RFP will be done at the sole discretion of the Vanier Institute.
- The Vanier Institute will notify all proponents upon the selection of a successful proposal.
- The Vanier Institute reserves the right to:
  a) Cancel the RFP.
  b) Decide not to aware any contract;
  c) Reject any Proposal without inviting the Proponent to submit a new Proposal;
  d) Reject all Proposals;
  e) Select a Proposal other than the lowest cost Proposal;

f) Seek, in writing, or orally, clarification of, or additional information concerning Proposals that are considered responsive;
g) Waive minor informalities, irregularities, or non-compliance of Proposals, with respect to this RFP;
h) Further negotiate with the successful Proponent in order to arrive at the most cost-effective contract that is in keeping with the terms and conditions of this RFP;
i) Keep, for its records, all proposals and documentation submitted in response to this RFP.

- In submitting a proposal, the Proponent acknowledges that they may have access to information that is confidential to the Vanier Institute. You agree that you shall not use any Confidential Information, except to perform your obligations under any resulting contract. Upon termination or expiry of such a contract you shall immediately return to the Institute all Confidential Information and any copies in any form.

Land Acknowledgement

The Vanier Institute of the Family is located on the unceded territory of the Algonquin Anishinaabe people, who have protected this land since time immemorial and who continue to live and work here today. We strive to support decolonization by amplifying voices and research that highlight the ongoing impacts of colonialism, displacement, and systemic racism on Indigenous family and community connections, cultures, and wellbeing.

FINANCE Investment Policy [2022]

Background

The Vanier Institute of the Family seeks to understand families in Canada, family life and family experience, expectations, and aspirations. We are dedicated to advancing knowledge of how families interact with, have an impact on and are affected by social, economic, environmental, and cultural forces. Our primary goal is to enhance family wellbeing in Canada.

The Institute's Endowment Fund consists of certain contributions made to the Institute by Canada's federal and provincial governments, organizations and individuals to ensure the Institute's long-term viability and research independence. Disbursements from the Fund are used to support the Institute's program of research/education and general operations.

The primary investment objective of the Fund is to maximize risk adjusted returns in furtherance of two competing goals: provide income for the Institute's current operations and protect the real value of the Fund, after inflation and investment expenses.

The Board of Directors has assigned the overall responsibility for management of the endowment to the Finance, Audit, Investment and Risk Committee (FAIR); a Standing Committee of the Board that meets quarterly and reports to the Board based on the Committee's Terms of Reference (see Appendix B). FAIR and its members share the Board of Directors' fiduciary responsibility.

FAIR is governed by the Articles of Continuance, as approved on November 25, 2019 and the By-Laws, as amended and adopted at the Annual General Meeting of the Institute on November 25, 2019.

Definitions

FAIR Committee is Finance, Audit, Investment and Risk Standing Committee of the Board of Directors (see Terms of Reference for FAIR)
Fund is the Vanier Institute Endowment Fund

General: Terms and Conditions

The Vanier Institute Endowment Fund (Fund) shall be invested in fixed income and equity securities in such proportions as may be established from time to time by the FAIR Committee. Liquidity, flexibility and preservation of capital are primary considerations in the management of the Institute's financial assets.

The Institute believes that incorporating environmental, social and governance (ESG) factors in its decision-making is fundamental to conducting comprehensive investment assessments and for managing risks and opportunities. The Fund shall also, where practical and through its Investment

Manager, promote good environmental, social and governance practices through proxy voting and other means, as may be available.

Examples of prominent ESG factors, and expectations related to active ownership, monitoring and reporting are detailed in Appendix A.

If at any time an investment or group of investments within the Fund does not conform with to the Investment Strategy as outlined below, the FAIR Committee and Investment Managers shall exercise their best judgment as to the action required to correct the situation. If it appears that the situation will be corrected within a reasonably short period, they may elect not to liquidate the temporary non-conforming investments.

Investment Objectives

The primary objectives in investing the Vanier Institute's financial assets in the Fund shall be:

1. All assets are to be invested in a manner that is broadly consistent with the values and goals of the institute;
2. On the overall Fund, the preservation and enhancement of the value of capital through adequate diversification in investment grade securities;
3. On all investments, the achievement of a competitive rate of return based on the quality guidelines and asset mix requirements of the Institute;
4. On Canadian and U.S. equity investments, the objective will be to earn an annualized rate of return commensurate with the risks associated with the markets;
5. On bond investments, the objective will be to achieve as high a yield as is possible within the desired minimum risk and diversification parameters;
6. No investments shall knowingly be made in high-risk products or companies that may negatively impact the Institute's reputation;
7. No investments shall knowingly be made in companies that derive more than 5% of their gross income from alcohol, tobacco or cannabis products, gambling, pornography, weapons, private correction facilities, or private care facilities/programs (e.g. child care and long term care).

Asset Mix Guidelines

The portfolio will be invested in money market securities, longer dated fixed income securities, and equities in accordance with the following guidelines:

	Minimum	Maximum	Target/Benchmark
Cash	0%	10%	5%
Bonds	20%	40%	30%
Total Fixed Income	25%	45%	35%
Canadian Equities	20%	40%	30%
U.S. Equities	20%	40%	30%
International Equities	0%	10%	5%
Total Equities	55%	75%	65%

Quality Guidelines

1. All individual debt securities will be rated "A" (R-1 for money market securities) or better by a recognized Rating Agency.
2. No equity investments will be made in any company
   - with a market value capitalization of less than $500 million for Canadian-listed companies
   - with a market value capitalization of less than $1 billion for US companies
3. No investments in equity or corporate bonds shall be made without a formal assessment of the ESG practices of the company, including its relative position in its industry group and its responsiveness to investor critique.

Evaluation

Monitoring
The Vanier Institute FAIR Committee is responsible to monitor the activities of the investment manager including the ESG integration and reporting. The FAIR Committee is also committed to meet with the investment manager at least quarterly to discuss the performance and ensure compliance to the investment policy.

Reporting
The Investment Manager will be asked to report on ESG matters at least annually. These reports will address:

i. ESG integration
ii. Discussion of material ESG issues
iii. Engagement activities
iv. Voting activities

Performance Measures

1. Relative Performance: The Fund's annualized rate of return over a moving four-year period will be compared to others with a similar asset allocation as measured by SEI Pooled Fund Survey. This data will be provided by the Investment Manager.
2. Benchmark Performance: The Fund's annualized rate of return over a moving four-year period will be compared to a passive "portfolio benchmark" return that reflects the Investment Committee's asset mix preference. This Benchmark will be composed as follows:

5%	FTSE 91 Day T-Bill
30%	FTSE Mid-term Bond Index
30%	S&P/TSX Total Return
30%	S&P 500 (C$) Total Return
5%	MSCI EAFE (C$) Total Return
100%	*This data will be provided by the portfolio manager*

Investment Strategy

Equity Instruments

The Investment Manager must exercise the care, skill, diligence and judgement that a prudent investor would exercise in making investments.

- Borrowing to purchase is not permitted;
- Short-selling is not permitted;
- All equities must be publicly traded;
- Venture capital positions are not permitted; and,
- No equity linked notes.
- No preferred shares

Fixed-Income Instruments

1. Cash/Cash Equivalent
   - Investment of cash reserves in short-term paper shall be confined to obligations of Federal or Provincial governments, chartered banks, major trust companies, or top quality ("R1") corporate credits.
2. Bonds
   - This segment of the Fund shall include Federal, Provincial and Municipal governments and corporate issues as may be deemed appropriate.
   - The maximum term to maturity on a bond may be twelve years
   - Not more than 25% of the total market value of the bond segment shall be invested in any one generally recognized industry group, except utilities (50%) and finance (50%).
   - Not more than 50% of the total market value of the bond section shall be invested in foreign currency issues.
   - The minimum quality rating of all holdings in the bond section shall be A or better.
   - No private placements will be considered.
   - NHA insured mortgages and mortgage-backed securities can be purchased when deemed appropriate, residential only.

- A maximum five-year maturity for NHA mortgages and mortgage-backed securities.

Diversification Guidelines

1. The cumulative investment of any one equity investment will not exceed 15% of the equity portfolio.
2. The equity portfolio will have exposure to at least five of the ten industry sectors as defined by the Global Industry Classification Standard with a minimum exposure of 5% to any one industry.
3. The cumulative investment in any bond as a percentage of the asset class should not exceed the limits outlined below:

Issue Type	Maximum Per Type	Maximum Per Issue
Federal/Provincial	100%	25%
Municipal	75%	10%
Corporate	85%	10%

Active Ownership

1. The Vanier institute will review the proxy voting policy of the investment manager to ensure it is ESG focused to be applied to all public equity investments.
2. The Vanier Institute expects the investment manager to engage with the companies on ESG issues. The Institute requires the investment manager to engage with the management and boards of equity issuers on ESG considerations.
3. The Vanier Institute also expects the investment manager to take part in investors' coalitions and groups where ESG issues are discussed.

Revision History:

June 10, 1996 amended and updated;
March 21, 2000 amended and updated;
June 6, 2000 amended and updated;
June 11, 2002, amended and updated;
September 17, 2002 amended and updated;
October 18, 2004, amended and updated;
April 2007, amended and updated;
June 2008, updated and amended;
January 2013, amended and updated;
June 2017, approved no changes;
March 2019, amended and updated;
November 2019, amended and updated;
February 2020, amended and updated;
August 2022, amended and updated;
Next scheduled review 2024.

Appendix A- Environmental, Social and Governance Factors

Environmental, Social and Governance (ESG) screening is now a required expectation of any investment manager's responsibilities. The investment manager, and designated investment subsidiaries (including custodians), will operate with investment principles that reflect a best-in-class methodology. ESG and responsible investing considerations will be expected in the investment manager's decisions.

The ESG screening criteria will have an *exclusionary* and *qualitative* review process. The exclusionary screening component will be based on those categories listed in the policy's Investment Objectives, point 7.

A qualitative screening component will comprise investments that impact on:

Environmental	Social	Governance
• Impact on climate/greenhouse gas emissions • Sustainability • Climate change risks • Energy Efficiency • Air and water pollution • Water scarcity and waste management • Site rehabilitation • Biodiversity and habitat protection	• Human Rights • Community impact • Respect for Indigenous people • Employee relations • Working conditions • Discrimination • Gender diversity • Child and forced labour • Health and safety • Consumer relations • Diversity	• Alignment of interests between executives and shareholders • Executive compensation • Board independence and composition • Board accountability • Board diversity • Shareholder rights • Transparency and disclosure • Anti-corruption measures • Financial policies • Protection of property rights • Average employee compensation VS executive compensation