



# One Generation Fund Policy

Coast Funds | Coast Conservation Endowment Fund Foundation

## PREAMBLE

The One Generation Fund (OGF) allow Coast Funds, at the request of the fund holder, to withdraw upon the whole or a portion of the contribution at some future date, and to pay or transfer such funds to a “qualified donee”, including the First Nation donor, as defined by the Income Tax Act (Canada).

## POLICY STATEMENT

1. Coast Funds makes available to First Nation donors the ability to create retractable funds under certain circumstances, as set out in this policy.

## ELIGIBILITY

1. The OGF may only be subscribed to by First Nations that are “qualified donees”, as defined in the Income Tax Act (Canada).
2. Subscribing to the OGF requires a minimum \$1,000,000 contribution.

## MAXIMUM VALUE OF OGF

1. The maximum percentage of Coast Funds’ total assets permitted in OGF will be 15% of the market value of its assets under management.

## SUBSCRIBING TO THE FUND

1. Each fund will be created by a Deed of Gift that sets out the terms on which Coast Funds is to administer the fund. Once set, the terms cannot be changed.

## CONVERSION

1. Permanent endowment funds cannot be converted into retractable funds, but retractable funds can be converted to permanent endowment funds.

## TRANSFER TERMS

1. Coast Funds will follow the terms set out in each Deed of Gift.
2. The fund contributions will be invested in Coast Funds’ long-term investment pool. Upon written notice of a transfer or retraction request, the board of directors may transfer the funds to a short-term income fund at a lower rate of return than the long-term investment pool.
3. The Deed of Gift will indicate term and funding portion, in which no retraction on the contribution is permitted.
4. Retraction of funds will be processed on a rolling basis. Written notice of a transfer or retraction request from a First Nation to Coast Funds must be received by January 31st of each year. The retraction notice may be withdrawn by the First Nation at any time up to the funds’ distribution date.

5. Only the contribution invested may be retracted upon, up to the lower of fair market value and value of the contribution at the distribution date. Investment income will only be available to fund projects in accordance with Coast Funds' Funding Approval policy and will not be available to be retracted upon.
6. Funds will be distributed following processing, at the discretion of Coast Funds.
7. If the Board of Directors determines that liquidation of investments to meet transfer requests would be detrimental to the performance of the long-term investment pools, outstanding transfer requests will be aggregated and will be fulfilled on a pro rata basis.
8. The recipient of the retracted funds must be a "qualified donee", as defined by the Income Tax Act (Canada).

## **OWNERSHIP OF THE FUND**

1. Assets in the OGF held by Coast Funds are owned by Coast Funds. Coast Funds will consider the fund holder's request for retraction but is not legally obligated to comply.
2. When Coast Funds makes a retraction, the transferred amount becomes the asset of the recipient "qualified donee", as defined by the Income Tax Act (Canada).

## **FEES**

1. Coast Funds will charge pro rata administrative and investment management fees, relative to Coast Funds overall portfolio, with respect to the OGF as defined in the Deed of Gift.
2. In addition to administrative and investment management fees, there may be a cost recovery exit fee, to account for transaction costs.

## **REVIEW**

1. This policy will be reviewed by the Board of Directors at least once a year.