



MEMORANDUM

To: PSO Senior Volunteers and Staff
From: Rob Newman - President and CEO, Sport BC
Date: Monday, April 30, 2018
Subject: 2018 Sport BC Annual General Meeting (30-day package)

Dear Sport BC Members,

Sport BC is pleased to announce the 2018 Sport BC Annual General Meeting.

Date: Tuesday, May 29, 2018

**Time: 5:00 pm - 6:15 pm Registration and social event
6:15 pm – 9:00 pm Annual General Meeting**

**Location: Richmond Olympic Oval
6111 River Road Richmond, BC V7C 0A2**

In preparation for the 2018 Sport BC Annual General Meeting, the following documents are included in this package:

1. Draft Agenda
2. Registration Form
3. Report from the Chair – Governance Committee
4. Report from the Chair – Investment Committee
5. Investment Policy

The Sport BC Constitution and By-laws are available on our website at www.sportbc.com under “Membership - Annual General Meeting”. If you require a hard copy please contact Christine Wong, Executive Assistant, at 604-333-3421.

Please note:

- The draft 2017 Annual General Meeting minutes are available on the Sport BC website at www.sportbc.com under “Membership – Annual General Meeting”.

Enclosures

**2018 Sport BC Annual General Meeting
Richmond Olympic Oval
Tuesday, May 29, 2018
6:15 pm – 9:00 pm**

AGENDA

5:00 pm – 6:15 pm Registration and Social
6:15 pm – 9:00 pm Annual General Meeting

1. Call to Order
2. Adoption of Agenda
3. Confirmation of quorum and voting rules
4. Approval of Minutes of 2017 AGM
5. Business arising from 2017 AGM
6. Chair's Remarks
7. CEO Remarks
8. Committee Reports
 - a. Governance Committee
 - b. Investment Committee
 - c. Finance & Audit Committee
 - i. Audited Financial Statements for the year ending March 31, 2018
 - ii. Presentation of approved budget – year ending March 31, 2019
9. New Business
 - a. 2019 AGM Date - Wednesday, May 29, 2019
10. Election of Directors
 - a. Nominations Committee Report
 - b. Overview of Election process
 - c. Election
 - d. Announcement of Directors for 2018 – 2019
11. Motion to Adjourn



ANNUAL GENERAL MEETING REGISTRATION FORM

Voting (Full) Members

Member Organization: _____

Name of President / Chair* or Designate**: _____

Signature: _____

Associate or Affiliate Members

Member Organization: _____

Title: _____

Delegate Name: _____

Additional Non-Voting Delegates

Name, Title: _____

Name, Title: _____

Name, Title: _____

* Official voting delegate

** If the President / Chair is not attending the Annual General Meeting, he/she must affix his/her signature thereby authorizing the above-noted Designate voter.

Please complete and return to Sport BC no later than Thursday, May 24, 2018 to:

Christine Wong, Executive Assistant: christine@sportbc.com



Sport BC Governance Committee Report

2018 Annual General Meeting

Tuesday May 29, 2018

Governance Committee

Heather Holden

Blair Lowther

Greg White, Chair

Composition of the Sport BC Board of Directors (2017/2018)

The Sport BC Board of Directors consists of 6 elected positions (quorum is 4 directors).

Elected Board Members

1. Carey Dillen - Chair (elected 2016 for 3 year term) – term ends 2019
2. Heather Holden - Vice Chair (elected 2016 for 3 year term) – term ends 2019
3. Lisa Kwiatkowski - Director-at-large (elected 2017 for 2 year term) – term ends 2019
4. Greg White - Director-at-large (elected 2017 for 2 year term) – term ends 2019
5. Blair Lowther – Director-at-large (elected 2016 for 2 year term) – term ends 2018
6. Michael Berkeley - Director-at-large, Finance (elected 2016 for 2 year term) – term ends 2018

Director positions for election at the May 29, 2018 AGM

- Director-at-large – 2 year term
- Director-at-large, Finance – 2 year term

Board of Director Meetings

1. Thursday, June 29, 2017
2. Wednesday, September 13, 2017
3. Tuesday, November 14, 2017
4. Tuesday, February 13, 2018
5. Monday, April 2, 2018
6. Tuesday May 22, 2018 (scheduled)

Committees of the Board

Standing Committees

Finance & Audit Committee

Lisa Kwiatkowski

Mario Ramos

Michael Berkeley, Chair

Governance Committee – next meeting in December, 2017

Heather Holden

Blair Lowther

Greg White, Chair

Ad Hoc Committees

HR Committee

Michael Berkeley

Lisa Kwiatkowski

Blair Lowther – Chair

Investment Committee

Sport BC Board

Leanna Napolitano (BC Soccer)

Bruce Goldsmid (BC Alpine)

Scott Braley (Curl BC)

Brian Forrester (Gymnastics BC)

Heather Holden – Chair

Athlete of the Year Committee

Jordon Abney (BC School Sports)

Rochelle Winterton (BC Lacrosse)

Sue Griffin (Promotion Plus)

Christine Wong

Rob Newman

Carey Dillen - Chair

SBC Insurance

Blair Lowther

Carey Dillen - Chair

National Sport Trust Fund Provincial Adjudication Committee

Greg White

Michael Berkeley

* Rob Newman (President & CEO) served as an ex-officio to all committees of the Board.

Notice of Special Resolution - Bylaws Amendments (as per Article 8 Sport BC Bylaws)

- January 23, 2018 Information package for members
- March 1, 2018 Conference Call for a review of Bylaw Amendments
- April 13, 2018 45 day package included the Summary of Bylaw Amendments

Please note that the Sport BC Bylaws have to be updated by November 28, 2018 to comply with the New Societies Act for British Columbia.

Sport BC Investment Committee

Report to the AGM May 2018

Prepared by Heather Holden, Investment Committee Chair

- At the 2017 AGM, the committee reported on the process that led to selecting Mawer, our investment manager, and drafting our Investment Policy Statement
- Following the 2017 AGM, the committee opened an account directly with Mawer, transferred funds to Mawer and gradually invested **\$2,450,000** according to the Global Balanced mandate with a conservative asset allocation range of 30% - 55% fixed income and 45% - 70% equities, which can be thought of as maximizing long term growth at medium risk
- The value of the account has increased that to **\$2,572,373.12** as of April 29, 2018; the return since inception is about 5% after fees, which is in line with expectations
- Mawer is a discretionary manager which means that, within the parameters of the Balanced Fund agreed upon, we give them discretion to adjust the proportion of funds in different countries, sectors, government vs. corporate fixed income, and so forth, as they determine is best – we do not interfere with their investment decisions, but evaluate their performance against the goals stated in our Investment Policy Statement
- Once the funds were invested according to the Investment Policy Statement in terms of investment return goals and investment risk limitations, the committee's next challenge was to develop the policy for how the funds would be used to benefit Sport BC members. The committee followed these steps:

October 2017: develop 'scenarios' of the various permutations and combinations of spending policies as a starting point for us to debate, combine, delete, refine.

November 2017: conference call to discuss scenarios and risks, implications, opportunity costs etc.

December 2017: refine short listed scenarios

January 2018: conference call to discuss feedback

February 2018: further refine and present draft spending policy at PSO meeting

March 2018: further refine and recommend policy to Board

- Please see full Investment Policy Statement, which includes our Distribution Policy

Recommended next steps:

- The Investment Committee Terms of Reference can now be modified by the Board now that the important policy setting work is complete; having a large group including Members at Large engaged in the first two years was helpful and responsible, but now the Board could consider more efficient governance



Sport BC Investment Policy Statement with Distribution Policy

1) The Investor

Sport BC is a not-for-profit sport federation representing over 50 Provincial Sport Organizations in BC. As a member-based organization, Sport BC offers services and programs to build the capacity of our members and advocate on their behalf to improve the landscape for organized sport in BC. Our organization began in 1966 when a small group of dedicated volunteers created an organization to provide a unified voice for amateur sport in British Columbia.

The Sport BC Board of Directors appoints a Sport BC Investment Committee who acts according to the committee Terms of Reference in carrying out their responsibilities for the operation and administration of the investments that this policy governs.

According to the Investment Committee Terms of Reference, the committee is given authority to retain independent consultants and investment managers to implement and maintain the investment strategy.

2) The Scope

This Investment Policy Statement (hereafter IPS) governs the funds that the Sport BC Board of Directors designates for long-term investment (hereafter the portfolio). The portfolio capital originated from the proceeds of sale of an asset.

This IPS sets forth parameters to guide the Board in its risk and return measurement, monitoring, and management responsibilities.

3) Goals for Investing this Money

We believe that a diversified portfolio can be actively managed to minimize volatility and minimize the likelihood of loss. We believe a diversified portfolio can be managed to achieve long-term growth to at least match the rate of inflation.

We will evaluate performance of the portfolio on a **Total Return basis** (capital appreciation, dividends and interest) in the context of our desire for lower than benchmark volatility.

4) Investment Objectives

Portfolio total returns will target the following characteristics in combination:

- a) Lower volatility than the composite benchmark,
- b) Total annual return of between 4% and 6% after fees over a rolling 3 year timeframe

5) Investment Constraints

- i) Time Horizon: infinite timeframe for capital appreciation
- ii) Liquidity: annual distributions as per Distribution Policy below
- iii) Leverage: no expected need for leverage of any type
- iv) Foreign Investments: no restrictions on foreign securities or currencies
- v) Investment Philosophy: no restrictions on approach to investment decision making
- vi) Security Concentration: no restrictions on concentration of securities
- vii) Taxes: as a non-profit organization, Sport BC does not anticipate taxes to be a concern in the investment of these funds

6) Risk Management

- a) Performance measurement: Annual portfolio review with Committee and investment manager with evaluation based on above investment objectives
- b) Risk measurement: Annual volatility to be used as primary measure of risk
- c) Asset Allocation: based on above assessment of performance as a function of risk, asset allocation may be varied to meet investment objectives
- d) Conflicts of Interest: all parties (board, committee, staff, managers) to communicate existing, potential and perceived conflicts of interest to Chair of Investment Committee

7) Annual Distribution Policy

- 1. Annual distributions will be used to support Sport BC activities as approved in the organization's strategic plan
- 2. Annual distributions will be calculated based on the prior year's Total Return on the portfolio and the prior year's Canadian inflation rate such that the annual distribution will be no greater than the portfolio's Total Return minus Inflation
- 3. At least the original contributed capital plus annual inflation will remain invested and not distributed

4. The committee will calculate the annual distribution amount in Canadian dollars and communicate this amount to the Board and the Finance Committee prior to approval of the annual operating budget

5. The committee will communicate to the investment manager the confirmed annual distribution amount and the investment manager will redeem units of the fund and facilitate the transfer of money to the Sport BC bank account

The committee must annually determine the maximum annual distribution in Canadian dollars for the Fund. The amount the committee decides to distribute may be comprised solely of the income earned from the fund investments (interest and dividends), or may be part income and part capital.

Since Sport BC may rely on distributions to meet a portion of annual operating and capital expenses, this implies that the stability of income earned by the fund is key. This suggests that the fund's investment strategy maintain a balanced exposure to equity and fixed income investments.

* Distribution is defined as money that is withdrawn from the investment account, which may have been generated in any way including interest, dividends, or capital gain (referred to as based on Total Return)



Schedule A

Approved by the Sport BC Board of Directors on June 29, 2017

The following Investment Manager has been selected to provide 3rd party professional portfolio management services:

Mawer Balanced Fund