

THE OTTAWA JEWISH COMMUNITY FOUNDATION
MEETING OF THE BOARD OF DIRECTORS
Investing in Our Future

WEDNESDAY, APRIL 1ST, 2020
MINUTES

Minutes of a Meeting of the Board of Directors of THE OTTAWA JEWISH COMMUNITY FOUNDATION (the 'Foundation') held by Zoom conference at 3:15 PM on Wednesday, April 1st, 2020.

<u>PRESENT:</u>	Sharon Appotive, Paul Finn, Jonathan Ben-Choreen Freedman, Adina Libin, Sandy Pollack, Fred Seller, Lawrence Soloway, Gillie Vered, Lawrence Weinstein, Ken Wright
<u>BNY MELLON:</u>	Errol Kerzner, Tomas Landa, Jeff Mortimer
<u>STAFF:</u>	Solange Ashe, Andrea Freedman, Micah Garten, Leslie Kaufman, Susan Lee

MEETING CALLED TO ORDER:

Lawrence Weinstein called the meeting to order at 3:23 PM. Lawrence extended condolences, on behalf of the board, to Lawrence Soloway on the passing of his mother.

LIFE & LEGACY UPDATE

Lawrence invited Micah to provide an update on the Life & Legacy initiative.

Micah advised the board that the Foundation has been in regular contact with Dena Kaufman of the Harold Grinspoon Foundation (HGF). Micah confirmed that HGF will be flexible with deadlines with respect to end-of-year in terms of grants, and will also be flexible with the Foundation in terms of where money is spent. HGF will continue to match 1/3 of expenses, but where that money is spent can be shifted, particularly with respect to the inability to host large gatherings.

The Foundation is in a good position with the Life & Legacy initiative as it did not commence until March 1st, and as such, some of the targets can be moved. Micah noted that in a challenging economy, planned gifts can be a growth area.

Micah also confirmed that all partner organizations have submitted their first draft of the legacy plan to Dena Kaufman who has consulted with them, and final legacy plans are being forwarded to the Foundation.

The board had an open discussion.

Lawrence thanked Micah for his update.

SPECIAL MARKET UPDATE

Errol Kerzner and Jeff Mortimer of BNY Mellon joined the meeting, with Errol providing a review of what will be discussed.

Jeff Mortimer, Director of Investment Strategy, provided an overview of the current market and potential future market, with the following items of note:

- Over the last three weeks, the U.S. economy has lost approximately 35% of its value.
- Risk reduction within portfolios, and the ability to sell large baskets of stock with one button is here to stay.
- Markets, as they move both up and down, will do so in today's world and in tomorrow's, more quickly. Last week numbers were up 20% from trough to peak.

WHERE DO WE GO FROM HERE?

- The market action that has transpired foreshadows a sideways market going forward.
- The Foundation is in a position where, as these markets move in volatile stages for the next weeks and months, with a pragmatic approach to rebalancing and asset allocation, the Foundation can continue to achieve to its long term objectives.
- It's imperative to continue to have a longer term time horizon – 12 to 18 months. This will help steer the portfolio more accurately today.
- Every crisis or bear market has eventually turned out to be a buying opportunity, and this will turn out to be no different.

Jeff opened the floor to the board for discussion with the following responses:

- It is anticipated that the recession will be deep, because the world has come to a complete halt, but it will be short.
- There is a 35% chance of a V recovery where the worst is happening now and recovery is quick.
- There is also a 35% chance of a U recovery, where recovery takes a little bit longer, and is in stages.
- Although a depression is possible, the likelihood is low. There will be a redistribution of how people spend their money, rather than people not spending money.

Errol Kerzner presented a portfolio review, with the following items of note:

- The forecast on the market for the rest of the year is largely unknown.
- With respect to the asset mix of the portfolio, there is a significant amount of flexibility that can withstand a disbursement from the portfolio. The cash position of 2.2% is able to be disbursed as well as the overweight in the alternative asset allocation.
- BNY Mellon is making some changes to the asset allocation of the portfolio, and will be looking to potentially reduce the overweight in alternative asset allocation of 20.60%, closer to the proposed Investment Policy Statement target of 15%.
- With respect to the portfolio's performance, the asset mix and alternative allocations are working well, but of course, the portfolio is not immune to what has happened in the market.
- Corporate managers on both the fixed income and equity side of the portfolio, are seeing opportunities with regards to their particular markets.
- BNY Mellon expressed disappointment at the 12.3% loss which was due, in large part, to the disappointing performance of Letko Brosseau. BNY Mellon has been reducing their position over the last few years, and will be looking to further reduce their position in the weeks and months ahead.

BNY Mellon will be looking for guidance from the Foundation on the timing and magnitude of the disbursement to the beneficiary agencies. BNY Mellon will then make a plan on how to have that capital drawn from the portfolio. The Foundation advised that they will be looking for approximately \$2M to be disbursed at the end of April - mid May. The Foundation will confirm with BNY Mellon.

Lawrence thanked Errol and Jim for their presentation.

ANNUAL DISBURSEMENT RATE

Lawrence invited the board to discuss whether or not to keep the agreed upon 4% disbursement rate, or lower it to 3.5% based on the current economic market. The board agreed to keep the disbursement rate at 4% with the increased needs of the beneficiary agencies. The disbursement rate for 2020 will be decided at a later date based on the market at that time.

The board agreed to make the agency disbursements in May based on BNY Mellon's input. Furthermore, the board agreed to regularly review investments to determine if a supplementary disbursement may be possible before the end of the year. Micah agreed to follow up with Errol Kerzner.

ADJOURNMENT:

Lawrence adjourned the meeting at 4:45 PM.