

WELLWOOD RESOURCE CENTRE OF HAMILTON
INVESTMENT POLICY OBJECTIVES AND GUIDELINES

Investment Objectives

The primary objectives in investing the assets of the Wellwood Resource Centre of Hamilton (“the Fund”) shall be:

1. To preserve the original capital of the Fund in “real” terms
2. To provide capital growth
3. To achieve an overall rate of return for the Fund sufficient to support stable and growing expenditures for the benefit of the Wellwood Resource Centre of Hamilton (“Wellwood”)
4. To provide income of between \$80,000 and \$100,000 per year to fund the operations of a proposed new building (to be completed in 2006)

Definitions

Benchmarks: Canadian Equities: S&P/TSX 60
U.S. Equities: S&P 500 (In Canadian dollars)
Non North-American Equities: EAFE
Fixed Income: ScotiaMcLeod Mid-Term Bond Index
Cash/Short Term Investments: 90 day T-Bills

Small Cap: Canadian: \$150-\$500 Million Market
U.S.: \$500 Million - \$2 Billion

Foreign: G7 Country stock exchanges. This includes the U.S. market.

General Guidelines

The assets shall be managed by a qualified external investment manager (“Fund Manager”). The Fund Manager is expected to maximize the total rate of return of the portfolio within policy constraints with respect to risk, liquidity, diversification and quality of investments as set out herein.

The Fund Manager is expected to achieve a total rate of return (net of management fee) that is higher than the appropriate benchmark portfolio over rolling 5-year periods.

Asset Mix

The asset mix range should fall within the following limits based on market values at any given time.

Asset Mix	Minimum	Benchmark	Maximum
Cash/Short Term Invest.*	0%	5%	25%
Fixed Income	25%	45%	60%
Total Equities	30%	50%	60%

*Wellwood's operating bank account maintains a variable cash balance, which is not included in the Fund.

The following constraints apply with respect to security selection:

1. Equities may be purchased that are publicly traded on any stock exchange, and which is not in breach of their various by-laws and regulations.
2. Equities may also be purchased through the National Association of Security Dealers Automated Quotation System.
3. Investment may be held in rights and warrants acquired through the holding of any of the above.
4. No one holding, or combination of holdings of any one issuer, should represent more than 10% of a Fund Manager's equity portfolio by market value at any time.
5. The Fund may not hold securities comprising ownership of greater than 10% of a particular issuer.
6. No more than one-third of the assets held of a particular class may be invested in a single industry group.
7. Investment in "small cap" securities is permitted but only after appropriate analysis is performed by the Fund Manager but the aggregate market value of all small cap securities may not exceed 10% of the total equity portfolio.
8. Investment in foreign equities is permitted but may not exceed 75% of the total equity portfolio. Investment in foreign securities may be made through pooled or other funds. Such pooled or other funds shall be considered to be investment in foreign securities.

9. Investment in any one non-North American security shall not exceed 15% of the total foreign equity portfolio at market value.
10. The minimum credit rating for fixed income securities is BBB, as rated by rating services such as the Standard & Poor's Service or the Dominion Bond Rating Service, as applicable. No more than 10% of the total fixed income portfolio shall be invested in BBB fixed income securities. Fixed income securities may be denominated in Canadian or foreign currencies. Foreign currency fixed income securities should not exceed 20% of the total market value of the fixed income portfolio.
11. (a) No one holding, or combination of holdings of any one non-government issuer, should represent more than 10% of the fixed income securities portfolio by market value at any time.

(b) No one holding, or combination of holdings, of any issuer of BBB fixed income securities, should represent more than 2.5% of the fixed income securities portfolio by market value at any time.
12. The following uses of derivative instruments are prohibited:
 - those that would increase the overall risk of the Fund
 - those that would be contracted on a leveraged basis; or
 - those that might expose the Fund to the possibility of adverse losses.
13. The following uses of derivative instruments for defensive purposes are permitted:
 - covered put and/or call options with respect to publicly traded securities that are held in the portfolio;
 - the Manager of an index portfolio may utilize fully backed, i.e. non-leveraged, derivative strategies designed to replicate the performance of specific market indices; or
 - the Manager of non-North American equities may use currency futures contracts to hedge foreign currency exposure.
14. Any use of derivative instruments must be subject at all times to any regulations prescribed by the Ontario Securities Commission or by such other regulatory bodies as may be applicable.
15. Investment in any of the following may be made only after appropriate consultation with and approval by the Finance/Investment Committee:

- futures and options;
- index-linked mortgages; and
- index-linked annuities

Voting Rights

The Committee will delegate to the Fund Manager the responsibility of exercising all voting rights acquired through the Fund's investments, provided that the Committee may at any time deliver to the Fund Manager a written direction regarding how any particular voting rights are to be exercised. Such voting rights will be exercised with the intent of fulfilling the investment objectives and policies of the Fund.

The Fund Manager will provide to the Committee the Manager's written policy on exercising voting rights and periodic reports to the Committee indicating any departure from the Manager's policy, instances where the Manager has voted against corporate management and any other extraordinary matters.

Reports by Fund Managers to Finance/Investment Committee

On a monthly basis, the Executive Director and the Treasurer shall receive an investment portfolio report. Each member of the Finance/Investment Committee shall receive quarterly an investment statement from the Fund Manager. The investment statement shall include the total market value of the portfolio and the market values for each of the securities held within the portfolio.

At least once a year, or at the call of the Executive Director or Treasurer, representatives of the Fund Manager shall present, at a meeting of the Finance/Investment Committee, reports on the investment performance and actual investment strategy employed since previous reports and compliance with this policy. In addition, the Fund Manager shall include a statement on the investment strategy to be employed in the next period in view of existing or anticipated economic and investment market conditions.

The Fund Manager must submit a summary compliance report each quarter to the Executive Director and Treasurer of Wellwood. This report must detail the nature of any non-compliance and recommend an appropriate course of action to remedy the situation.

Should a Fund Manager wish to deviate from the asset mix guidelines, he/she must contact, in advance, the Executive Director and/or Treasurer who will solicit Finance/Investment Committee approval. Should there be a sudden change in market conditions that causes the asset mix to be offside, the Fund Manager will immediately either seek Finance/Investment committee approval to remain offside, or take corrective action and contact the Executive Director and/or Treasurer who will inform the Finance/Investment Committee.

Conflict of Interest

For the purpose of this policy, any known or perceived conflict of interest of a Fund Manager must be reported to the Chair of the Finance/Investment Committee within three working days.

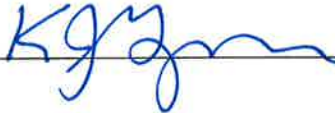
Review of the Policy

At least once every 5 years, the Finance/Investment Committee should review the Statement of Investment Policy Objectives and Guidelines with respect to the appropriateness of policies, objectives and strategies contained therein.

This policy was approved by the Board of Directors of the Wellwood Resource Centre of Hamilton on JANUARY 18, 2005 and may be amended from time to time.

Signed by:

K. Jane George, Executive Director
Wellwood Resource Centre of Hamilton



Mark Matthews, Treasurer
Wellwood Resource Centre of Hamilton