



**Research Fund Policy**  
**Western Grains Research Foundation**  
**Approved July 4, 2019**

## **Background**

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The Research Fund (formerly the Endowment Fund) is comprised of principal and retained earnings. The principal is derived from two sources. Firstly, from the Prairie Farm Emergency Fund transferred to WGRF by the federal government in 1983. Secondly, from funds received periodically by WGRF from CN and CP railways under the Canada Transportation Act because of overcharges to farmers under the Maximum Revenue Entitlement program.

## **Purpose**

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The Research Fund will be maintained at a sustainable level over the long term to enable WGRF to carry out its mission of funding field crop research to benefit western Canadian grain farmers.

## **Financial Management**

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WGRF will be a responsible steward of the Research Fund by maintaining a Minimum Fund Value of \$100 million (indexed annually for inflation beginning in 2020).

The Research Fund will be invested by a third-party fund manager in accordance with WGRF's Moderate Risk Investment Policy with oversight by the WGRF Investment Committee and the WGRF Finance Manager.

WGRF staff will report financial results, including the Actual Fund Value, to the Investment Committee monthly and to the Board quarterly.

WGRF staff will provide the Board with annual short term (4-year) and long term (10-year) Projected Fund Values in conjunction with the proposed annual budget. Projected Fund Values will be based on estimated earnings, and anticipated research and operational expenditures (based on current commitments and projections).

If the Actual Fund Value falls below the Minimum Fund Value (\$100 M + inflation) at any time or is projected to fall below the Minimum Fund Value within the short-term projection period (4 years), the Board will develop a plan to bring the Actual Fund Value up to the Minimum Fund Value within the next five years.

If the Actual Fund Value grows significantly beyond the Minimum Fund Value, the Board may choose to develop a research investment plan to re-align the Actual Fund Value with the Minimum Fund Value.

The Board will approve an annual Research Fund budget in accordance with this policy.