

Investment Policy

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|---|---------------------------------|-----------------|----------------|
| APPLICABLE SECTIONS OF THE ACT, BY-LAWS AND REGULATIONS and/or PURPOSE | Act, s.6; By-law s.6(d) and (e) | | |
| RESPONSIBILITY | CEO and CFO | | |
| APPROVED BY | EFFECTIVE | REVIEWED | REVISED |
| Board – 09/22/2023 | Septembre 22, 2023 | Date | Date |

Rationale

The College’s objective is to have sufficient funds readily available (i.e. cash) to cover at least three months of operating expenses at any given time. Funds in excess of this amount may be invested conservatively to preserve capital amounts invested and generate interest and investment income.

The Purpose of the Investment Policy is to establish and define the investment parameters for the different types of investments that the College may invest in and the timing requirements required. The College will appoint an investment dealer on the recommendation of the CEO to provide advice and/or oversee the management of any invested funds.

The Audit & Risk Committee will provide oversight of the College’s investments and provide guidance to the Board of Directors¹ on investment strategies and requirements in accordance with the College’s by-laws.

Protocol

It is important for the College to establish goals for investing and clearly state the investment objectives in order of priority. Any investment strategies will be developed to meet the College’s goals while staying within the accepted level of risk. The return on the portfolio(s) may vary over time with the primary goal to preserve capital and secondary goal to generate income and grow assets.

The portfolio(s) will need to be constructed and managed to accommodate any withdrawal requirements as funds may be needed to cover operating costs, therefore, liquidity and the ability to quickly convert securities and other investments into cash for disbursement without negatively impacting the value of the overall portfolio.

For the initial establishment of an investment portfolio the College will plan to invest cash on hand in the amount exceeding three months of budgeted expenses in short term redeemable Guaranteed Investment Certificates (GIC's).

Portfolio requirements

The College will begin any investment portfolios based on a Low Risk Tolerance focusing on preserving capital. Examples of these types of investments are guaranteed investments such as GIC's and Treasury Bills (T-Bills).

When sufficient funds are available and/or held in reserve, the Portfolio may invest in the following asset categories:

- Interest bearing saving (bank) account(s)
- Guaranteed Investment Certificates (GIC) and Treasury Bills (T-Bills)
- Cash or money market securities issued by Canadian governments (Provincial or Federal)

Future plans

The Audit & Risk Committee will continue to review the funds available and potential for investing excess funds. This Investment Policy will be revised as required and as additional funds become available for investment.

Calculations

Currently the estimate of three (3) months of expenses based on the 2023 budget is \$570,000 (2023 expenses of \$2.3M annually divided by 12 months equals \$190,000 per month. Three (3) months of expenses equals \$570,000.) Funds in excess of this amount may be invested in short-term guaranteed investments.

¹ Duties of Board

6 (1) The Board has the following duties on behalf of the College:

(d) ensure multi-year financial planning by approving the College's budgets in advance of each fiscal year; (e) establish and publish an investment policy and appoint an investment dealer, on the recommendation of the CEO;