

### **Purpose**

This Investment Policy (Policy) applies to the assets classified as short-term investments and long-term investments that will be managed by an independent investment advisor. The purpose of the Policy is to formulate the investment principles and objectives, to define the limitations on asset classes, and to specify the monitoring procedures to be adopted by the AIDS Committee of York Region (ACYR).

### **Investment Objectives**

- The primary investment objective is the preservation of capital. Therefore, a minimal-to-low risk approach to investment will be taken.
- An objective of the investment portfolio is also to ensure that the not-for-profit status of ACYR is not put in jeopardy by the pursuit of a “profit” motive defined here-in as employing a risk strategy beyond the minimal-to-low risk approach noted above.
- The purpose of the investment portfolio is to generate the maximum total return possible in the fixed income sector while adhering to the portfolio structure noted below.
- Where deemed prudent and possible, interest rate anticipation strategies will be implemented in an effort to minimize capital losses, or maximize capital gains, consistent with the limitations set out below.

### **General Limitations**

Under the overall direction of the ACYR, the funds shall be invested in a prudently diversified manner.

The portfolio will be governed in accordance with Canada Revenue Agency rules regarding Not-for-Profit Corporations (CRA Rules: Paragraph 149(1)(l) of the Income Tax Act, Ontario Not-For Profit Corporations Act).

Eligible investments for the portfolio are restricted to bonds, debentures, guaranteed investment certificates, deposit receipts, deposit notes, certificates of deposit, term deposits or other similar instruments that:

- are issued or guaranteed by the Government of Canada or the government of any province of Canada,
- are issued by an institution located in Ontario insured by the Canada Deposit Insurance Corporation or the Deposit Insurance Corporation of Ontario.

Investments are limited to Money Market and Fixed Income securities with a term-to-maturity no longer than 5 years.

Preferred shares, income trusts and convertible securities will be excluded from the portfolio.

### **Money Market Securities (Issued with a term to maturity of 365 days and under)**

- There is no minimum or maximum on investment in Federal or Provincial Treasury Bills and their respective guaranteed securities,

- Bankers Acceptances and Bank Deposit Notes and Commercial Paper are permitted investments
- CDIC eligible High Interest Saving Accounts

#### **Government of Canada and Government of Canada Guaranteed Securities**

- There is no minimum or maximum on investment in Government of Canada or Government of Canada guaranteed securities.
- Government of Canada or Government of Canada guaranteed securities with embedded short option positions are not acceptable under this Policy.

#### **Provincial Government, Provincial Government Guaranteed and Municipal Securities**

- There is no minimum or maximum on investment in Provincial Government or Provincial Government guaranteed securities.
- The maximum investment in Municipal securities will be limited to 10% of the total value of the portfolio.
- Exposure to any Province (including guaranteed securities) will be restricted to a maximum of 25% of the portfolio value.
- Exposure to any individual Municipality will be restricted to a maximum of 5% of the portfolio value.
- Provincial securities with embedded short option positions are not acceptable under this Policy.

#### **Policy Review**

The Policy will be reviewed by ACYR's Finance Committee whenever a change is deemed necessary or appropriate:

- Policy may be reviewed in the event of a significant change in financial risk tolerance of ACYR.
- Policy may be reviewed in the event that shortcomings of the Investment Policy become apparent in the practical application of the Policy.