



GENERAL POLICY MANUAL

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| SECTION: | Finance | APPROVED BY: | County Council |
| NUMBER: | 6.6 | SIGNATURE: | Original signed by Peter M. Crockett |
| PAGE | Page 1 of 3 | DATE: | August 11, 2004 |
| REFERENCE POLICY: | | REVISED: | November 25, 2015 |

INVESTMENT POLICY STATEMENT

PURPOSE

This policy statement and the procedures herein shall govern the investment activities of the County's General, Capital and Reserve Funds.

The objective of the investment policy is to maximize investment income at a minimal risk to capital. Accordingly, investments will be made with emphasis on security first, liquidity second, and overall yield third. The purpose of this policy is to ensure integrity of the investment management process and to establish a reporting structure.

PROCEDURES

Legislative Authority

Section 418 of the Municipal Act, 2001 and Ontario Regulation 438/97, is the legislative authority for the investment guidelines of municipal funds. All investments shall be in compliance with O.Reg.438/97 and s.418 of the Municipal Act, 2001.

Investment Policy Objectives

The investment portfolio objectives are listed in the order of priority as follows:

- a) Adherence to statutory requirements as set out in O.Reg.438/97 of the Municipal Act, 2001
- b) Preservation of capital – minimization of credit risk
- c) Maintenance of liquidity
- d) Competitive rate of return – overall yield

Approved Investments

- a) Treasury Bills and other securities issued or guaranteed by the federal government, provinces or municipalities of Canada including their agencies and crown corporations.
- b) Bonds, debentures, promissory notes or other evidence of indebtedness issued or guaranteed by a bank listed in Schedule I, II, or III of the Bank Act (Canada), a loan



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corporation or trust corporation registered under the Loan and Trust Corporations Act or a credit union or league to which the Credit Unions and Caisse Populaires Act 1994 or the Financial Institutions Act of British Columbia applies and is listed under the Credit Union Deposit Insurance Corporation (CUDIC) secured by unlimited deposit insurance protection.

Qualitative and Quantitative Restrictions

- a) Maximum effective term to maturity for any security will be 10.5 years.
- b) The use of derivative instruments is not permitted.
- c) Maximum aggregate exposure to any single non-government issuer is limited to 10% of the market value of the portfolio.
- d) The portfolio shall only invest in a security that carries a minimum credit rating as defined below by any one of DBRS, Fitch, Moody's or Standard & Poor's.

| Security | DBRS | Fitch | Moody's | S&P |
|---|-------------------|-------|---------|-----|
| Treasury Bills and other securities issued or guaranteed by the federal government, provinces or municipalities of Canada including their agencies and crown corporations | No minimum rating | | | |
| Bonds, debentures, promissory notes or other evidence of indebtedness issued or guaranteed by a bank listed in Schedule I, II or III to the Bank Act (Canada), a loan corporation or trust corporation registered under the Loan and Trust Corporations Act or a credit union or league to which the Credit Unions and Caisse Populaires Act 1994 or the Financial Institutions Act of British Columbia applies and is listed under the Credit Union Deposit Insurance Corporation (CUDIC) secured by unlimited deposit insurance protection. | AA(low) | AA- | Aa3 | AA- |
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Signing Authority

Investments made by the County are settled by cheque requisition or by Electronic Funds Transfer approved by the Treasurer.



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Investment Reporting

The Treasurer will maintain an investment registry and annually prepare a report for Council, outlining the investments held in each fund. The report will outline the issuer, type of instrument, par value, maturity date, the purchase price and yield of each investment.

The investment report will conform to the requirements as set out in O.Reg.438/97 of the Municipal Act, 2001.

Annual Review

A regular review of investment policy statement shall be undertaken at the time the Treasurer prepares the annual investment report for Council.

Updates to the policy may result from:

- a) a fundamental change in the characteristics, risk tolerance, or other aspects of the portfolio;
- b) significant revisions to the expected long-term trade-off between risk and reward on key asset classes;
- c) shortcomings of the policy that emerge in its practical application, or substantive modifications that are recommended by the Treasurer; or
- d) a change in legislation.