

Bishops University Students' Representative Council

Investment Policy

Purpose

The purpose of this Policy is to provide a written overview of specific asset allocation, quality, quantity and rate of return standards. The investment standards provide a framework within levels of risk acceptable to the SRC.

Investment Guidelines

1) Portfolio Objectives

The primary objective of the portfolio will be to maximize safety of principal and certainty of payment related to the spending requirements. Subject to these constraints, the portfolio will be managed with a secondary objective of maximizing the overall return.

Specifically, SRC's investment strategy is to manage surplus funds in a manner that is prudent and accountable with a level of risk acceptable for a student association. A low-risk investment portfolio is expected to generate a low rate of return, with asset values being stable.

The current surplus/sustaining funds of SRC are as follows:

CIBC Savings Account – excess funds realized from small annual operating surpluses, and as such intended to assist the organization with future, unforeseen expenditures (long-term objectives) to ensure sustainability (long-term objectives) or short-term objectives as set out in the Operating Reserve Sustaining Policy.

CIBC Flexible GIC- a minimum portion of \$200,000 from the reserve fund will be allocated to this investment in order to generate interest that can be put towards growing the reserve or being used as a supplement to fund certain board approved projects. It acts the same way as a high interest savings account but with a higher rate.

According to Western Financial Group "A GIC (guaranteed investment certificate) is a safe and secure investment with very little risk. You don't have to worry about losing your money because it is guaranteed."

2) Asset Mix and Implementation

Investments will be made with the intention of holding the security to maturity (if applicable). Short-term investments for the purpose of this Policy are defined as securities purchased with a maturity of one year or less.

It is recognized that there may be occasions during which these guidelines are not met temporarily for valid investment reasons. The Investment Policy strictly prohibits from engaging in any activity that would be considered speculative or that would jeopardize the ability of the portfolio to meet its cash flow obligations.

3) Application

This Investment Policy will be implemented and monitored by the BSR who will review and monitor these guidelines and must approve all changes to them.

4) Reporting

Annual investment earnings will be reported to the BSR.

5) Policy Review

This Policy shall be reviewed every 3 years by the BSR to ensure that it remains consistent with the overall objectives of the SRC and prudent conservative investment practices. This Policy may be reviewed and updated more frequently if necessary.