

## **POLICY 6.1.3 – Investment Policy**

### **PART 6 – FEDERATION-WIDE POLICIES SECTION 6.1 FINANCE POLICIES**

APPROVED: June, 1991

REVISED: June, 2001

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### ***Investment Policy***

#### **Investment Objectives**

The timing of cash inflows and outflows pertaining to contributions made by the provincial Foundations pursuant to an assessment and the corresponding operational expenditures and research award installments account for the temporary accumulation and revolving variance in surplus cash balances at the HSFC.

The investment objective for surplus cash is conservative: to ensure capital preservation, while generating moderate income growth.

Within the overall objective, these funds should seek to earn total returns in excess of the rate of inflation over the long term. Over the short term, the selected investments should be sufficiently flexible to accommodate any specific withdrawals required to meet the committed expenditures with respect to ongoing HSFC operations and research awards.

The investment objective is intended to maintain a structure that minimizes administration and active management.

#### **Permitted Investments**

The following are permitted lower risk investment vehicles deemed to fulfill the stated investment objective:

A deposit account with a Canadian chartered bank (Canadian and US dollar accounts),  
Guaranteed investment certificates (“GICs”) issued by a Canadian chartered bank,  
Provincial and government of Canada T-Bills,  
Banker acceptance (“BA”) certificates in Canadian funds, and  
High-grade (R-1, AA rated or higher) Canadian commercial paper and bonds  
denominated in Canadian funds.

No tobacco related investments are permitted.

To ensure adequate quality in the selected fixed income investments, a debt rating will be obtained from a minimum of two (2) reputable debt rating agencies such as Dominion Bond Rating Service (DBRS), Moody's Investor Service or Standard & Poor's.

### **Day-to-Day Accountability and Responsibility**

The accountability for the overall investment performance, investment decisions and compliance with this Policy reside with the Chief Financial Officer, while the day-to-day responsibility for executing the investment transactions resides with the Controller.

### **Review**

As a minimum, this Policy should be reviewed annually by the Finance Committee to ensure that the investment objectives, permitted investments and investment performance meet current and evolving expectations.

Investment performance and return for the preceding year will be reported annually to the Finance Committee by the Chief Financial Officer.

Separately, but in conjunction with this Policy, the Finance Committee should at least annually review the level of surplus cash and investments available to the HSFC and planned commitments to ensure the accumulated balances remain temporary in nature.