

## BRIEFING NOTE

**TO:** Board of Directors

**FROM:** Fazal Khan, Registrar

**DATE:** December 7, 2020

**SUBJECT:** 8.2 Investment Policy (2-06) Monitoring Report

☐ For Decision ☐ For Information ☒ Monitoring Report

### Purpose:

To provide the Board with a monitoring report on the Investment Policy, in accordance with the monitoring report schedule approved by the Board.

### CEO Interpretation and Evidence:

The Investment Policy (**2-06, previously 2-09**) was approved by the board in October 2018.

The monitoring report covers the period from January 2020 to December 2020. The next Investment Policy Monitoring Report is due in December 2021.

Policy Requirement	Interpretation and Evidence
Investment Funds Management	COO investments are managed with the services of a Financial Advisor (BMO Nesbitt) to provide expertise in the investment approach and investment portfolio.
Investment Parameters	<p>The following steps have been taken to ensure acceptable investment parameters:</p> <ul style="list-style-type: none"> <li>- maintaining a liquidity ratio over 2.0 (i.e. the COO has sufficient liquidity to satisfy at least twice the value of all current liabilities)</li> <li>- staggering the maturity dates of investments to ensure regular returns and liquidity during the fiscal year</li> <li>- ensuring the preservation of capital through a conservative investment strategy that consists of guaranteed investment certificates (GICs) with an AA rated financial institution</li> <li>- ensuring a reasonable return on investment, in light of the current financial climate, and within the low-risk parameters appropriate for the COO. For 2020, the year to date rate of return on investments was averaged 0.725%</li> <li>- Liquid funds that resulted from a GIC that reached its maturity date, and which were not required for operating expenses,</li> </ul>

	<p>were reinvested within 30-60 days.</p> <ul style="list-style-type: none"> <li>- In order to achieve a balance between social responsibility and the COO's low investment risk profile, no funds were invested in instruments other than GICs.</li> <li>- No funds were borrowed in the fiscal year for investment or other purposes.</li> </ul>
Evaluation of Results	<p>The COO's investments are monitored regularly via monthly statements. Investment performance and strategies were discussed with the financial advisor following the maturity of each GIC in order to assess performance and determine re-investment strategies.</p> <p>The COO works with a team of qualified financial advisors, and senior team members are copied on all transactions in order to ensure accuracy and accountability.</p>
Reporting	<p>The Registrar, CEO provided audited financial statements to the board in May. These reports include investment results for the previous fiscal year.</p>

**Recommendations/Action Required:**

The Board is asked to provide comments and feedback on the following questions:

1. Was the Registrar, CEO's interpretation of the Reserves Policy reasonable?
2. Did the Registrar, CEO comply with this policy, as reasonably interpreted?