

BRIEFING NOTE

TO: Board of Directors

FROM: Fazal Khan, Registrar and CEO

DATE: June 2, 2025

SUBJECT: 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 2025 to May 2025. The next Investment Policy Monitoring report is due in December 2025.

Policy Requirement	Interpretation and Evidence
Investment Funds Management	The Registrar, CEO has managed the COO investments with the services of an Investment Advisor (BMO Nesbitt Burns) to provide expertise in the investment approach and investment portfolio.
Investment Parameters	The Registrar, CEO has met the Board's expectations of: reasonable liquidity (by maintaining a liquidity ratio over 2.0 and ensuring that invested maturity dates are split throughout the year), continued revenue (by adapting operations to virtual/hybrid functions), and ensured preservation of capital through a conservative investment strategy. The Registrar, CEO has invested funds that will achieve a reasonable return on investment, between 3.89% and 3.94% against the current market rate of 3.4%. The Registrar also proactively reinvested the funds to lock in the higher interest rate a day before the Bank of Canada announced an interest rate drop. These investments will be realized in June 2025, and October 2025. The Registrar, CEO operates with a diverse investment portfolio through multiple GICs within the CDIC insurance limit and a high interest savings account that maintains a minimum of 12 months of operational funds. Additionally, the Registrar and CEO have invested operational funds that are not needed for a period of three months into a

	high-interest savings account, currently offering an interest rate of 3%. These funds remain accessible for withdrawal as needed. Finally, The Registrar CEO has not borrowed any funds during this reporting period.
Evaluation of Results	With the support of the Deputy Registrar and the Finance Manager, the Registrar, CEO monitors the investments to ensure compliance with the Investment Policy and the recommended investment approach. The external Investment Advisor provides additional monitoring and an investment performance overview at the time of maturity.
Reporting	The Registrar, CEO provided audited financial statements to the Board in June 2025. These reports include investment results for the previous fiscal year which have been reviewed and independently verified by the Auditor.

Public Interest Considerations:

This policy serves the public interest by ensuring investment is used efficiently, transparently, and sustainably. It optimizes investment placement while improving service delivery by maintaining funds in High interest savings account that can be withdrawn at any time. The policy promotes accountability through clear guidelines and regular reviews of investment with the guidance of an investment manager and aims for equitable resource distribution. This approach helps enhance public trust, protect funds against possible risks, and align investment management with the College's needs.

Diversity, Equity, and Inclusion Considerations:

DEI considerations include diversifying the college's portfolio to ensure the inclusion of underrepresented business, small and medium scale businesses while addressing varied stakeholder needs.

Risk Management Considerations:

The policy being monitored falls into the Operational Boundaries policy category. In reviewing this monitoring report, the board should consider whether it is satisfied with the Registrar, CEO's interpretation and application of the policy to manage risk relating to the COO's investments including market and liquidity risks.

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 Investment Policy reasonable?
2. Did the Registrar, CEO comply with this policy, as reasonably interpreted?

POLICY TYPE: OPERATIONAL BOUNDARIES

2-06 Investment Policy

PURPOSE

To outline the Board's operational boundaries and risk tolerances for the Registrar, CEO regarding the management of COO investments. The Board's role with respect to this policy is one of oversight, as it has delegated responsibility for investing to the Registrar, CEO.

BACKGROUND

The objective of this Investment Policy is to ensure the prudent management and stewardship of the financial resources of the College. This includes the reasonable safeguarding of the College's invested assets and reasonable expectations for growth. The capital reserves, held within COO's investments, exist to ensure COO's long-term operating stability and to provide a source of internal funds for organizational priorities such as capital improvements and strategic initiatives.

Investment Objectives and Risk Tolerances Summarized

The Board's primary objectives and risk tolerances are:

1. Preservation and protection of principle.
2. Maintenance of appropriate liquidity.

The Board's secondary objective is to achieve reasonable growth of the value of the investments.

POLICY

1. Investment Funds Management

Accordingly, the Registrar, CEO will not:

- a. Manage the COO investments without the services of a financial advisor to provide expertise in the investment approach and investment portfolio.
- b. Develop and update the investment approach without addressing the responsibilities of various parties, the allowable and prohibited investments, risk controls and monitoring and evaluation procedures, in accordance with Paragraph 2 of this policy.

2. Investment Parameters

In determining what are allowable and prohibited investments, the Registrar, CEO will not:

- a. Operate without meeting the Board's expectations of reasonable liquidity, achieving regular income, and ensuring preservation and appreciation of capital (except where the Board has approved the use of invested capital to cover deficit budgets and/or capital investments).
- b. Increase the organization's risk profile by operating without diversifying the investment portfolio.
- c. Unreasonably delay investing funds that are not required to ease cash flow or operational transactions.
- d. Invest capital in funds that do not have a demonstrated track record of achieving a reasonable return on investment.
- e. Invest or hold operating capital in insecure instruments, including uninsured chequing accounts and bonds of less than AA rating, or in non-interest-bearing accounts except where necessary to facilitate ease in operational transactions.
- f. Fail to assess the effect of inflation and deflation on the investment.

- g. Fail to assess the social responsibility of the investment being considered, including whether the investment is consistent with the COO's organizational values.
- h. Borrow solely for investment purposes.

3. Evaluation of Results

Further, the Registrar, CEO will not operate without:

- a. Monitoring the financial advisor and the investments to ensure compliance with this Investment Policy and the investment approach.
- b. Assessing the adequacy of the performance of the financial advisor.

4. Reporting

Further, the Registrar, CEO will not operate without:

- a. Reporting semi-annually to the Board on investment results and compliance with this Investment Policy.