



INVESTMENT POLICY

Policy Area:	Board		
Policy Number:	INVPL_2403R_BG/VPC		
Policy Sponsor:	CFO & Vice President, Corporate Services		
Policy Contact:	CFO & Vice President, Corporate Services		
Stakeholders:	Okanagan College Board of Governors Investment Management companies used by Okanagan College		
Authority:	<i>College and Institute Act</i>		
Approval Authority:	Board of Governors		
Approval Date:	March 12, 2024		
Effective Date:	March 12, 2024		
Replaces:	Investment Policy (E.1.2) (2010)		
Last reviewed:	March 2024	Scheduled review date:	September 2029
Procedures:	<i>Okanagan College Investment Policy Statement (internal document not posted)</i>		

1. Policy Statement

Okanagan College invests public funds in a manner that will provide the highest investment return while protecting and preserving capital, maintaining liquidity, and conforming to all legislation governing the investment of funds.

2. Purpose

The purpose of the policy and related procedures is to ensure the responsible stewardship of Okanagan College's non-endowment funds. This policy provides a framework for the prudent investment of the Okanagan College investment portfolio with the goal of maximizing investment return within regulatory and policy restraints and an established acceptable risk level.

3. Scope and Application

This policy applies to cash, cash equivalents, fixed income, and equity portfolio investments of the College.

4. Definitions

Cash and Cash Equivalents	Means cash or anything that can be converted into cash immediately.
Equity Securities	Means marketable securities of corporations that are actively traded on the major stock exchanges.
Fixed Income	Means Debt instruments that pay a fixed amount of interest in the form of coupon payments.
Liquidity	Means a measure of an asset's convertibility to cash.

5. Policy Principles

Statement of Policy Principles

- 5.1 The College will follow an investment philosophy which is based on preserving capital, providing necessary liquidity, and a reasonable rate of return at a level of risk deemed acceptable.
- 5.2 Acceptable investments will be identified and evaluated based on the level of risk. Funds must only be invested in permitted investments as outlined in the procedures document associated with this policy.
- 5.3 All investment decisions made by the Investment Manager, CFO and Vice President Corporate Services or their delegates, must be free of any conflict of interest that may impact their ability to make impartial investment decisions.
- 5.4 The limits of the Investment Manager's authority are defined within the procedures. Only the College's Board of Governors is authorized to waive or modify any of the restrictions in the procedures in appropriate circumstances.
- 5.5 The Investment Manager shall meet quarterly, with the CFO and Vice President Corporate Services or their delegate, and with the Finance, Audit and Risk Review Committee of the College Board annually.

Investment Program Objectives

The primary objectives of the investment program, in priority order, are:

- 5.6 Adherence to legislation requirements: All investment activities shall comply with *section 30* of the BC College and Institute Act as well as the *BC Trustee Act*, sections *15.1-15.6*.
- 5.7 Preservation and security of capital: Preservation of principal is key as Okanagan College is the steward of public funds. Investments shall be undertaken in a manner that seeks to minimize the risk to capital in the overall portfolio.
- 5.8 Maintenance of liquidity: The investment portfolio shall remain sufficiently liquid to meet all operating or cash flow requirements.
- 5.9 Maximize total return on investments: This includes both income and capital appreciation. Without compromising other objectives Okanagan College shall strive to maximize the rate of return earned on its portfolio by implementing an investment strategy driven by asset allocation and diversification.

- 5.10 To support Okanagan College's objective of strategically sustainable investment by investing a minimum of 30% of assets in positively screened sustainable investment funds (positively screened ethical funds).

Delegation of Authority, Roles, and Responsibilities

- 5.11 The CFO and Vice President Corporate Services has overall responsibility for the Investment Program and establishment of investment procedures that support the policy.
- 5.12 The Board of Governors will tender the management of Okanagan College's investment portfolio every five (5) years or per the terms of the latest agreement. For the purposes of this policy and the related procedures the management company will be known as the "Investment Manager".
- 5.13 The Board of Governors has the authority to waive or modify restrictions outlined in the procedures.
- 5.14 The Investment Manager is responsible to meet the objectives of this policy and follow the related procedures document. They have authority to enter into arrangements with banks, investment dealers and brokers, and other financial institutions for the purchase, sale, redemption, transfer, and safekeeping of securities.
- 5.15 The Finance, Audit and Risk Committee of the Board of Governors monitors the program through the annual review presented by the CFO and Vice President Corporate Services and the Investment Manager. The Committee works with the CFO and Vice President Corporate Services and the Investment Manager to determine and update the appropriate investment asset mix and make any adjustments to the investment strategy.

Standard of Care and Conflict of Interest

- 5.16 The Investment Manager will manage the assets with the care, diligence, and skill that an investment firm of ordinary prudence would use in dealing with all clients. The Investment Manager will also use all relevant knowledge and skill that it possesses, or ought to possess, as a prudent investment firm.
- 5.17 Employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions.
- 5.18 Employees shall not undertake personal investment transactions with individuals with whom business is conducted on behalf of Okanagan College.

Portfolio Performance

- 5.19 The portfolio objective is to obtain a market average rate of return throughout budgetary and economic cycles proportionate with investment risk constraints and the cash flow needs of Okanagan College.
- 5.20 The performances of investments will be measured using multiple benchmarks and targets.
- 5.21 The Investment Manager annually will provide to the Finance, Audit and Risk Committee an investment report detailing the performance of the investment portfolio against benchmarks, compliance with this policy and applicable legislation, and any such other information that Okanagan College may require or that, in the opinion of the CFO and Vice President Corporate Services should be included.

Mitigation of Credit and Interest Rate Risk

5.22 Investments will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio through mitigating credit and interest rate risk as follows:

- a) Credit risk
 - i) Limiting investments in securities rated lower than investment grade.
 - ii) Portfolio diversification so that potential losses on individual securities will be minimized.
 - iii) Adhering to limits on the size of portfolio investments in asset sectors and in individual creditors and issuers.
- b) Interest rate risk
 - i) Maintaining the investment portfolio structure so that securities mature to meet ongoing cash flow requirements, thereby reducing the need to sell securities prior to maturity.
 - ii) Investing operating funds primarily in shorter-term securities or approved money market funds, or pooled high interest savings account programs.
 - iii) Diversifying longer-term holdings to match term exposures to requirements of underlying reserve funds and to mitigate effects of interest rate volatility.

6. Related Acts and Regulations

College and Institute Act (section 30)
BC Trustee Act (section 15.1)

7. Supporting References, Policies, Procedures and Forms

Investment Procedures (not posted)

Date	Action
2024-03-12	Revision Approved by Board of Governors: Investment Policy (INVPL_2403R_BG/VPC)
2022-09	Reviewed: Investment Policy (E.1.2)
2010-10-26 2008-06-25	Revisions Approved by Board of Governors: Investment Policy (E.1.2)
2007-01-31	Approved by Board of Governors: Investment Policy