



Investment Policy

Policy Owner: Investment Committee

Audience: Board of Directors

Approved: Board Meeting (April 6, 2021)

Last Reviewed: August 13, 2019

Review Schedule: August, 2023

1. Introduction

Investment Committee

Board of Directors

Board of Directors (Board Meeting August 13, 2019) February 28, 2017

July 2020

As a Non-Profit Corporation located at the University of Regina it is incumbent upon the Students' Union of the University of Regina Inc. (URSU) to ensure financial solvency in order to also ensure political, governance, and business independence. Thus, it is critical that it develops and maintains adequate and appropriate investments to support ongoing operations, contingency reserves, investments in social ventures and provide for future capital and programming investments.

URSU manages an investment pool of its general revenues that in turn is used to fund various capital investments and budgeted programs including but not limited to:

- - Capital Improvement Fund
- - Student Support Funds Bylaw
- - Daycare Support
- - Health & Dental Stabilization Reserve
- - Refugee Sponsorship Reserve

Whilst it is mindful of its duty, as a non-profit organization with obligations to the well-being of its members, to invest in a way that seeks maximum return from those investments, the URSU is committed to ensuring that investments are made in a



responsible manner.

The URSU Board of Directors (the Board) is ultimately responsible for the security of URSU investments and compliance with this policy. The Board has delegated responsibility for the investment management decisions to the Investment Committee (the Committee). The Committee is comprised of:

- the Vice President of Operations and Finance,
- the General Manager,
- the Accounting Manager
- **the Executive team**
- **two (2)** members of the Board.

The Purpose of this policy is to provide a framework for the Committee to manage investments. The policy provides the Committee and Financial Planner with specific performance and investment targets.

The Board, the Committee or other parties engaged to provide investment related services have a fiduciary responsibility to act at all times in the best interest of URSU.

2. Policy

2.1. Policy Statement

The preferred investment portfolio of the URSU will be a combination of modest growth capital and fixed income assets via high quality investments, diversified with mutual funds, stocks, bonds and/or cash.

2.2.

Investment Objectives

To maintain sufficient reserves to allow smooth operation in times of decreased revenue. Target is to have minimum of six months operating reserve.

Portfolio risk shall be rated as conservative. Minimum long term ROI target for all investments shall be 3% per annum.

To ensure minimum contribution levels as required by referendum to any restricted reserve funds.

To fund capital expenditures, including equipment replacement and



renewal.

To fund future renovations to the URSU controlled spaces as per its Lease Agreement with the University of Regina.

To provide income through investment revenue and annual operating surpluses.

To use cash flow analysis to balance between short and long-term investment vehicles.

To provide long term capital and income growth and inflation protection.

Asset Mix Guidelines

2.3. Asset Mix Guidelines

The portfolio will be invested in money market securities, longer fixed income securities and equities and mutual fund securities in accordance with the stated investment objectives.

2.4 Quality Guidelines

All debt securities will be government guaranteed or those of a big five chartered bank and Conexus Credit Union only.

No equity investment in any one company will exceed 10% of the total portfolio value.

The cumulative investment in one industry will not exceed 10% of the portfolio.

No equity investment will be made into an investment vehicle with a market capitalization of under \$100 million.

Any investment falling outside the above criteria will not exceed 3% of the portfolio.

2.5. Reporting and Review

Regularly: day-to-day contact as required

Monthly: trade confirmations and a monthly statement itemizing all transactions

Quarterly: The Committee shall meet quarterly. The Vice President of Operations and Finance will submit an investment report on behalf of the Committee to the Board every



three months (or as requested by the Board) at a scheduled Board Meeting. The report will include the following information:

- A summary of the investments held.
- Status of the investments compared to the investment policies.

Annually: The Committee will perform a comprehensive portfolio review, including performance of the investment portfolio as part of the audited financial statements

2.6. Operating Guidelines

- At the discretion of the Committee, the URSU will engage the services of an expert investment dealer from a reputable local firm.
- The Accounting Manager, Vice-President Operations and Finance, General Manager **and the Executive team** will consult regularly on the investments.
- The investment funds must be registered in the name of the URSU
- Based on a cash flow analysis the Accounting Manager will make on-going recommendations for the balance of investments among short-term, mid-term and long-term vehicles.

2.7. Ethical Criteria

The URSU will not knowingly invest in companies whose activities are inconsistent with its vision and values and, when necessary, uses the services and influence of its Financial Planner to make known its views.

In keeping with the above, the URSU commits to and believes in the following:

1. URSU will seek to avoid investments in businesses whose activities and practices pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with URSU's mission and values. This would include, *inter alia*, avoiding investment in firms with material links to:
 - human rights abuse (e.g. child labour, political oppression)
 - environmentally harmful activities (e.g. unacceptable pollution, permanent destruction of habitat)
 - racism, sexism, ableism, colonialism and/or transphobia
 - socially harmful activities (e.g. tobacco, gambling, firearms)
2. URSU believes that recognizing ethical and environmental considerations in

investment decisions will enhance financial returns in the long term.



3. In order to give effect to its commitment to this policy the Committee will:

- Review on a regular basis whether any investment is contrary to the URSU's mission and values
- Regularly revisit developing and revising its investment policy statement(s) to reflect ongoing developments in the URSU's vision and values
- Consider representations from any group or individual that the URSU should not invest in, or should divest from, specific investments
- Monitoring the effectiveness of this policy.

3. Roles and Responsibilities

3.1. Investment Committee

The responsibility of the Committee is to manage investments in a manner that provides a reasonable rate of return given market conditions and the investment policies. More specifically, it is responsible for:

- Reviewing the policy annually and bringing recommendations to the Board for changes to the policy and investment practices
- Ensuring the investment practices align with URSU's mandate
- Ensuring that investments are within acceptable risk levels
- Hiring a Financial Planner if deemed necessary and ensuring he/she works within what URSU deems to be acceptable risk levels

3.2. Vice-President Finance and Operations

The responsibility of the Vice-President Finance and Operations is to:

- ensure that the Committee is fulfilling its obligations according to this policy
- ensure that any and all reporting requirements under this policy are fulfilled in a timely manner

4. Related information

URSU Constitution - <http://ursu.ca/pub/documents/URSU%20Constitution.pdf>
URSU Financial Policy - <http://ursu.ca/pub/documents/Financial%20Policy.pdf>