



SFSS Investment Policy

Simon Fraser Student Society

simon fraser

student society

PURPOSE OF THESE POLICIES

The purpose of this Policy is to establish investment principles and guidelines appropriate for the purposes for which the Fund is maintained.

POLICY REVIEW AND APPROVAL PROCESS

This Policy shall be reviewed by the Finance and Administrative Services Committee at least annually, or whenever a major change is necessary. Such a review may be caused by:

- A fundamental change in the expected net cash flow of the Fund.
- Significant revisions to the expected long-term trade-off between risk and reward on key assets classes normally dependent upon basic economic, political and social factors.
- A significant shift in the financial risk tolerance of the Society.
- Shortcomings of the Policy Statement that emerge in its practical application or substantive modifications recommended to the VP Finance & Services by a Manager.
- Applicable changes in legislation.

The policy shall be presented to Council at least annually or more frequently at the request of the Chair of the Finance and Administrative Services Committee and/or the VP Finance & Services.



IPS-1: INVESTMENT POLICY STATEMENT

<i>POLICY TYPE: INVESTMENT</i>		
<i>POLICY POLICY TITLE:</i>		
<i>POLICY REFERENCE NUMBER:</i>		
Adopted: April 23, 2021 Next Scheduled Revision: August 2021 Previous Revisions		
Position	Signature	Date
President		

This statement of investment policy (the "Policy Statement") applies to the assets (the "Fund") accumulated by the Simon Fraser Student Society (the "Society") for the purpose of maintaining and preserving its ongoing business operations and financial contingencies.

Standards

Any external investment manager (the "Manager") or other agent or advisor providing investment services for the Fund shall accept and adhere to this Policy.

Process

ADMINISTRATIVE

1. Council has delegated responsibility for the Fund management to the Finance and Administrative Services Committee. The Finance and Administrative Services Committee has the following responsibilities:
 - a. developing investment policy and amendments,
 - b. establishing investment management structure and selecting investment programs or managers, and
 - c. monitoring investment results.
2. The activities of the Finance and Administrative Services Committee will be reported to the Council by the Chair of the Finance and Administrative Services Committee
3. All investment decisions must consider all legal and tax ramifications.

INVESTMENT OBJECTIVES

4. To ensure that funds will be invested in a prudent manner to preserve capital.
5. To ensure that Society cash flow requirements can be met as they arise.
6. To earn a minimum annual rate of return greater than the rate of return on the Society's bank accounts.

PERMITTED ASSET CLASS INVESTMENTS

7. All investments shall be Fossil Fuel Free, which includes oil, gas and coal producers, pipeline companies, natural gas distribution utilities, and liquefied natural gas operations. All of the investments should be rated BBB or above. The Funds may be invested in the following:
 - a. Cash and Cash Equivalents – the Society may invest in the following Cash and Cash Equivalents:
 - i. Money market mutual funds
 - ii. Guaranteed Investment issued by a Schedule 1 Bank
 - iii. Savings account
 - iv. Banker Acceptance
 - v. Treasury Bills
 - vi. Bank Term Deposits and Short-Term Investment Certificates
 - b. Fixed Income – fixed income investments may be Provincial, Federal, or Corporate and must be rated BBB or above.
 - i. The Society may invest in Pooled Fund units recommended by the Manager where the investment policy of the fund is classified as a fixed income fund by the Investment Manager.
 - c. Equities:
 - i. The Society may invest in Securities listed on any Canadian or a major foreign stock exchange, provided that it shall not directly or indirectly hold more than five percent (5%) of the aggregate of the equities and debt of the entity in which the investment is made
 - ii. The Society may invest in Pooled Fund units recommended by the Manager where the investment policy of the fund is classified as an equity fund by the Investment Manager
 - iii. The Society may invest in Mutual Fund units where the simplified prospectus or investment policy of the fund is classified as an equity fund.

ASSET ALLOCATION

8. The Fund manager shall monitor the allocation of assets comprising the Fund and maintain the following structure:

Asset Class	Percentage of Total Investment Portfolio That May be Invested in Asset Class
Cash and Cash Equivalents and Fixed Income	Min: 65% to Max 100%
Equities	Min: 0% to Max: 35%

LOANS AND BORROWING

9. No part of the Fund shall be loaned to any individual.
10. The VP Finance & Services shall not borrow on behalf of the Fund without the express consent of Council upon recommendation from the Finance and Administrative Services Committee.

RESPONSIBILITIES OF THE INVESTMENT MANAGER

11. The Manager shall invest the funds of the Society within these specific written guidelines and in accordance with the Investment Objectives. In carrying out their duties and responsibilities, the Manager shall exercise such competence and skill as may be expected of a prudent, diligent Manager in similar circumstances.
12. The Manager shall prepare Reports, which shall contain, as a minimum:
 - a. Monthly
 - i. list of portfolio holdings and their cost vs. current market values
 - ii. list of transactions for the month
 - iii. portfolio listing by security showing cost vs. market value
 - b. Quarterly
 - i. income for the quarter and annualized asset mix
 - ii. quarterly and past 12-month total return calculations by asset class
 - iii. economic and market commentary with forecasts for the next 12-month or other relevant period
13. The Manager should have at least one formal meeting a year with the Finance and Administrative Services Committee to review the portfolio performance and discuss strategy for the ensuing period and make at least one presentation per year to Council. Manager will refer, on a timely basis, any contentious issue so that guidance may be sought from the Finance and Administrative Services Committee.
14. The Manager is delegated the responsibility of exercising all voting rights with the intent of fulfilling the objectives and goals of the Society. The Manager shall maintain a record of how voting rights of securities in the portfolio were exercised.
15. The portfolio allocations should be reviewed at least quarterly by the Investment Manager, and rebalancing should occur when the asset class allocations fall outside of the ranges established in Asset Allocation of this Policy.

MONITORING

16. The Finance and Administrative Services Committee shall meet at least four times per year to:
 - a. Monitor the Manager's compliance with the Policy Statement.

- b. Review the current asset mix and take any action necessary to ensure compliance with this Policy Statement.
 - c. Evaluate statistics on the investment performance of the Fund and the Manager.
 - d. Review the assets and net cash flow of the Fund. A major change in investment is defined as a major change in the amount invested or a significant decrease in returns.
17. An overall analysis of Fund performance shall be prepared at least annually by the VP Finance & Services including:
- a. The rate of return of the Fund.
 - b. The total assets invested in the Fund and their allocation between asset classes.

