

INVESTMENTS

This document is the parent policy for any College procedures. Questions regarding this policy are to be directed to the identified Policy Owner.

Category:	F. Finance
Policy Number:	F14
Approval Date:	March 20, 2025
Effective Date:	March 20, 2025
Policy Owner:	Chief Financial Officer Chief of Staff

Objective:	The objective of this policy is consistent with the primary objectives of capital preservation, growth beyond the rate of inflation, and sufficient liquidity to meet Olds College of Agriculture & Technology (the "College") needs.
Policy:	<p>These criteria guide the investment policy:</p> <ol style="list-style-type: none"> 1. Investments will be publicly traded. 2. Investments in fixed income instruments will be used to minimize risk while generating income. 3. Investments in equities will provide a return that will enable the investments to grow at a rate beyond the rate of inflation to prevent the erosion of capital. 4. Investments in money market instruments will ensure the liquidity needs of the College are met while generating some return on investment. 5. Investment in mutual fund instruments that create a lower risk tolerance and higher return, than individual instruments or equities provide and are still publicly traded. 6. Investments will not be made in entities which could damage the role or standing of the College within the community or which could be construed to be at odds with the College's Ends. <p>Assets that meet these criteria are considered to be eligible assets.</p> <p>The College will employ cash and fund management practices which manage the funds available to maintain 3% of gross operating revenues at all times.</p> <p>Segregating Investment Pools The College deems it useful to segregate investment pools in order to provide a more accurate tracking of investment income for conditional grants and donations, or targeted surplus operational funds; or meet contractual or legislative requirements.</p>

Operating Investment Pool

These funds are defined as funds that are:

- a. surplus non-conditional funds of the college, that can be used for operations, but may be used for capital acquisition; or
 - b. conditional funds where the principal and/or interest may be disbursed for operations or capital acquisition.
1. **Objective:** The primary objectives are preservation of capital and maintaining liquidity. The secondary objective is to earn a competitive rate of return that corresponds with the level of risk.
 2. **Time Horizon:** These funds will vary in time horizon with a mix of short, medium and long term needs, not exceeding 3 years.
 3. **Risk Tolerance:** Medium - Overall these funds can accept a moderate amount of volatility in market value.
 4. **Liquidity:** The portfolio will be invested with an appropriate liquidity profile to accommodate regular withdrawals and a higher allocation to liquid cash.

Endowment Investment Pool

These funds are defined as funds that are established through:

- a. an endowment agreement; or
 - b. a donation agreement where the principal amount of the donation can not be dispersed; or
 - c. excess investment income from the endowment or conditional donation, that will not be spent in the current fiscal year.
1. **Objective:** The primary objective of the long-term funds is preservation of capital over the long term with a secondary objective being growth.
 2. **Time Horizon:** Over ten years.
 3. **Risk Tolerance:** Medium - These funds can tolerate moderate fluctuations in value over the short term in return for a higher expected long term return.
 4. **Liquidity:** Anticipated cash requirements from the portfolio and any liquidity requirements will be discussed with the Investment Manager on a timely basis. Withdrawals may be made to fund the defined objectives, contingent on the fund health and market environment. The portfolio will be invested with an appropriate allocation and with a liquidity profile to accommodate periodic withdrawal needs.

Capital/Projects (Facility) Investment Pool

These funds are defined as funds that are established through:

- a. a grant funding agreement for a specific capital project(s); or
 - b. a donation for a specific capital project(s).
1. **Objective:** The primary objectives are preservation of capital and maintaining liquidity. The secondary objective is to earn a competitive rate of return that corresponds with the level of risk.
 2. **Time Horizon:** These funds will vary in time horizon with a mix of known short term withdrawal needs and longer term grants.
 3. **Risk Tolerance:** Low risk tolerance. Minimal volatility in market value can be tolerated as these funds need to fund specific project amounts.
 4. **Liquidity:** The portfolio will be invested with an appropriate liquidity profile to accommodate regular withdrawals.

	Deferred Salary Investment Pool These funds are defined as funds that are established through a deferred salary arrangement, when sufficient funds accumulate to make a minimum investment. <ol style="list-style-type: none"> 1. Objective: The primary objectives are preservation of capital and maintaining liquidity. The secondary objective is to earn a competitive rate of return that corresponds with the level of risk. 2. Time Horizon: These funds will be shorter term in nature with a time horizon dependent on the timing of staff enrollments. 3. Risk Tolerance: Low risk tolerance. Minimal volatility in market value can be tolerated as these funds need to fund specific salary obligations. 4. Liquidity: The portfolio will be invested with an appropriate liquidity profile to align with known liabilities.
Definitions:	Fixed Income Instrument: Investments that pay a fixed amount of interest to investors. Bonds are the most common type. Equities: Shares of a company that are typically traded in the stock market. Money Market Instrument: A conservative, very liquid security that is considered 'safe'; issued by governments, financial institutions and large corporations. Mutual Fund Instrument: An investment that includes a variety of classes of assets to create a managed risk and return profile, unique from its component investment instruments. Investment Pool: The total funds available for investing. Investment Portfolio: The total funds that are actually invested.
Related Information:	Board Policy EL-4: Financial Condition & Activities Board Policy EL-10: Investments B03 Fraud & Irregularities Policy F08 Endowments, Inflation & Investment Recapitalization Policy G02 Code of Conduct Policy
Related Procedures:	F14 Investments Procedure
Review Period:	3 years
Revision History:	Revised: May 1999 Revised: October 2004 Revised: September 2013 Revised: February 2017 Revised: March 2021 Revised: February 2024 Revised: February 2025