207 – INVESTMENTS

Introduction

Timing of cash flows from the Ministry of Education, as well as the maintenance of statutory reserves, may generate excess cash balances that will be invested for the benefit of the School District. The purpose of this policy is to ensure fiscal prudence is maintained with regard to these investments. Investments will be managed with the primary objective of preserving capital, while a secondary objective is to generate income. The portfolio will be composed of investments characterized as having a low risk level.

Policy

1. Investments will be managed to earn a rate of return, through income generation and capital growth that matches the rate of inflation over the long term. Fixed-income investments will be the only source of both capital growth and income

2. The portfolio will be constructed to be 100% secure. Normal fluctuations within the bond market are expected and within the tolerance of School District No. 23.

3. All investments will remain liquid. The portfolio will be flexible enough to maintain withdrawals as required.

4. The cumulative investment of any one maturity will not exceed 10% of the fixed income portfolio.

5. Bond positions will be constrained by the following:

i.	Federal Bonds	0% minimum range	100% maximum range
ii.	Provincial Bonds	0% minimum range	75% maximum range
iii.	Corporate Bonds	0% minimum range	50% maximum range

6. The total of all investments falling outside the above quality constraints will not exceed 5% of the total portfolio.

7. All Bonds will have 'BBB' or better credit rating.

8. A comprehensive portfolio review including a portfolio evaluation will be performed annually.

Date Agreed: November 12, 2008
Date Amended: February 12, 2014; December 13, 2017;
Related Document: