



MUNICIPAL DISTRICT OF PEACE NO.135

AMENDED BY: Barbara Johnson	ADOPTED BY: Council	NUMBER: ADM - 20
TITLE: Investment Policy		DATE: February 26, 2019
<u>PURPOSE OF THIS POLICY:</u> <ul style="list-style-type: none">- To provide a framework for and guidance in managing the investment portfolio.- To provide an accountability structure for the management of investments.		
<u>POLICY STATEMENT:</u> <ol style="list-style-type: none">1. Scope<ol style="list-style-type: none">1.1 This investment policy applies to all funds of the Municipal District of Peace No.135 on deposit or invested in investment securities.1.2 The funds include:<ol style="list-style-type: none">a. Operating Fundsb. Reserve Fundsc. Any new fund created by the Municipal District of Peace No.135, unless specifically exempted.2. Prudence<ol style="list-style-type: none">2.1 Investments are to be made with the same good judgment and care - under circumstances then prevailing - that persons of prudence, discretion and intelligence would exercise in the management of their own affairs.2.2 At all times, the individuals responsible for the management of the Municipal District 's funds shall exercise care, balance, and avoid conflicts of interest by always acting exclusively in the best interest of the Municipal District of Peace No.135.2.3 The Municipal District of Peace No.135 may delegate to an agent the degree of authority with respect to the investment of the Municipal District's funds that a prudent investor might delegate in accordance with ordinary investment practice.3. Investment Objectives<p>The primary objectives, in order of priority, of the Municipal District of Peace No.135's investment activities, shall be:</p><ol style="list-style-type: none">3.1 Safety<p>Investments for the Municipal District of Peace No.135 shall be undertaken in a manner that seeks to ensure the preservation of capital in real, inflation adjusted, terms.</p>		
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POLICY STATEMENT: <p>3.2 Liquidity</p> <p>The Municipal District of Peace No.135's investment portfolio will remain sufficiently liquid to enable the Municipal District of Peace No.135 to meet all operating and capital requirements, which might be reasonably anticipated. The portfolio should consist largely of fixed income securities with active secondary markets or investments that can be redeemed prior to maturity.</p> <p>3.3 Return on Investment</p> <p>The Municipal District of Peace No.135's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the Municipal District of Peace No.135's investment risk constraints and the cash flow characteristics of the portfolio.</p> <p>4. Authority</p> <p>4.1 Authority to manage the Municipal District of Peace No.135's investment program is derived from the following:</p> <ul style="list-style-type: none"> a. Section 250 of the Alberta Municipal Government Act b. The Municipal District of Peace No.135's Council resolutions c. Investment Regulation AR 66/2000 of Alberta Municipal Government Act <p>4.2 Management responsibility for the investment program is hereby delegated to the Chief Administrative Officer, who shall establish procedures for the operation of the investment program consistent with this investment policy.</p> <p>4.3 No person shall engage in an investment transaction except as provided for under the terms of this policy and the procedures established by the Chief Administrative Officer. The external Investment Manager (if any) is required to act in the best interests of the Municipal District of Peace No.135 at all times.</p> <p style="text-align: right;">.....3</p>		



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<u>POLICY STATEMENT:</u> 4.4 The Chief Administrative Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. 4.5. The Chief Administrative Officer or Designate shall disclose and/or refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. 5. Investments 5.1 Investments shall be restricted to those authorized under section 250 and Investment Regulation AR 66/2000 of the Alberta Municipal Government Act. 5.2 The Municipal District of Peace No.135 is generally risk averse due to its fiduciary responsibility to its citizens. The goal is to obtain a reasonable return while avoiding all undue risk. The Municipal District of Peace No.135 shall diversify its investments by security issuer and by security type thereby reducing investment risk through proper diversification. 6. Investment Manager 6.1 The Municipal District of Peace No.135 Council may retain the services of an external Investment Manager to provide advice and/or investment management services with respect to the Municipal District's investment portfolio. 6.2 Any agreement with an external Investment Manager is to be reviewed by Council every three years to confirm that expected results have been achieved. 6.3 The Chief Administrative Officer will provide semi-annual reports to Council, noting investments on hand, activity during period, and income or losses on investments. A review of compliance with the investment policies shall be done annually, and the results will be reported to Council via the Chief Administrative Officer.		