



POLICY:  <b>MITT General Investment Policy</b>		POLICY NUMBER:  <b>FI-4</b>
		PREVIOUS/REPLACES: <b>MITT General Investment Policy</b>
APPROVED BY: <b>MITT Governing Board</b>	EFFECTIVE DATE AS OF: <b>March 22, 2022</b>	PRIOR VERSIONS: <b>November 29, 2016</b>

**1. Policy:**

This policy provides a framework for the prudent and responsible management and investment of funds at the Manitoba Institute of Trades and Technology (to be referred to as MITT). The primary objective shall be capital preservation of investments and surplus funds, within a framework that permits investments that provide income generation commensurate with MITT’s risk tolerance.

**1.1. Investment Philosophy**

1. Investment of the portfolio must be managed so as not to expose the portfolio to undue risk of loss or impairment while maintaining the purchasing power of the capital.
2. The portfolio is to be constructed so as to maximize yield consistent with a conservative, low risk profile portfolio.
3. The investment manager, subject to conditions included in this policy shall:
  - comply with all applicable laws, rules and regulation, including the Chartered Financial Analyst Institute’s Code of Ethics and Standards of Professional Conduct governing its professional activities;
  - not knowingly participate or assist in any violation of such laws, rules or regulations;
  - exercise the care and skill expected of a prudent investment manager;
  - at all times act on a basis which is fair and reasonable; and
  - exercise its power and duties in good faith and in accordance with its best judgement.

**1.2. General Objectives**

The primary objectives, in priority order, of investment activities shall be:

1. Safety – Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.



2. Liquidity – The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
3. Return – The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints of safety and liquidity needs.

### **1.3. Annual Investment Plan and Approval Authority**

Annually, an Investment Plan will be developed and submitted to the Audit & Finance Committee and subsequently to the MITT Board of Governors for approval. Once approved, the Plan will provide the basis for the types and levels of investments permitted. Any deviation to this Plan will require approval from the Board.

### **1.4. Permitted Investments**

**Part I** - Investment activity at MITT is limited to the following types of investments as identified below until such time that the Annual Investment Plan is approved by the Governing Board.

- High Interest Savings and Chequing Accounts.
- Term deposits or Guaranteed Investment Certificates (GIC).
- All investments listed above are limited to Canadian institutions and must be Federal Schedule 1 chartered banks (see attached link: [Member banks | Member banks \(cba.ca\)](#)) or provincial credit unions.

**Part II** – In addition to Part I investments, the following investments shall be permitted subject to the approval of the Annual Investment Plan by the Governing Board.

- Treasury Bills
- Treasury Bonds
- Provincial Paper & Bonds
- Corporate Bonds or Debentures rated A or higher and Commercial Per rated R1 or higher
- Corporate Dividend Producing Entities. These must be “blue chip” type stocks, i.e., have an established, reliable dividend yield that compares favorably with current yield on preferred shares
- Corporate Preferred Shares rated P-2 or higher (S&P) or pfd-2 (DBRS) or higher
- Mutual funds that fall within the parameter of these permitted guidelines
- Exchange Traded Funds (ETF) that fall within the parameter of these permitted guidelines.



### 1.5. Restrictions of Investments

The following instruments shall **not** be included in MITT's investment portfolio:

- Speculative stocks;
- Commodities and commodity futures;
- Use of futures or options;
- Short selling;
- Derivatives;
- Investments in privately held companies;
- Purchase of securities on margin.

### 1.6. Investment Manager

An RFP process will be undertaken by MITT to obtain the services of a professional investment manager. Criteria will be developed to ensure that MITT is receiving the best expertise to match its needs and the best value for its money.

### 1.7. Portfolio Diversification - Investment Asset Mix and Range of Discretion

The asset mix and range of discretion of types and levels of investments permitted will be identified in the Annual Investment Plan. The Plan will identify minimum, maximum and target levels within each investment category (i.e., cash and cash equivalents, fixed income securities, and equities). When making selections, the Investment Manager will invest in companies which take a socially responsible approach in their business practices.

The Investment Manager is responsible to maintain the investment holdings of MITT within the asset mix range identified in the Plan.

MITT may hold additional investments separate from those managed by the Investment Manager. These investments shall be limited to guaranteed rate of return products.

### 1.8. Reporting Requirements

1. The Investment Manager is responsible to provide ongoing communications with MITT to address any questions or concerns regarding investments.
2. The Investment Manager will provide a quarterly newsletter to MITT's Associate Vice-President, Finance & Campus Services highlighting significant economic and financial events, market performance and market outlook.



3. The Investment Manager on a semi-annual basis will provide a comprehensive investment summary to the Associate Vice-President, Finance & Campus Services outlining current portfolio positions and investment performance compared to the benchmarks identified in the Annual Investment Plan. The investment summary will be forwarded to the Audit & Finance Committee for confirmation that all investments are in compliance with this Investment Policy and Annual Investment Plan. A summary of the findings will be reported to the Governing Board as information.
4. The Investment Manager on an annual basis will make a formal presentation to the Audit & Finance Committee outlining current portfolio positions, income generated by the portfolio, fees and expenses paid, and investment performance (both before and after fees) compared to the benchmarks identified in the Annual Investment Plan. An updated Annual Investment Plan will also be submitted for the next fiscal year.

The Audit and Finance Committee will review the financial performance of the portfolio and ensure all investments are in compliance with this investment policy and the Annual Investment Plan. The report from the Investment Manager, the new Annual Investment Plan, and any comments from the Audit and Finance Committee will be provided to the Governing Board for discussion and approval.

### **1.9. Conflict of Interest**

The Investment Manager, The President & CEO, the Associate Vice-President, Finance & Campus Services and all members of the Governing Board have the responsibility to disclose any actual, perceived, or potential conflicts of interest related to the investments held by MITT.

### **2. Scope:**

This policy will apply to any funds invested on behalf of the Manitoba Institute of Trades and Technology or the South Winnipeg Technical Center Scholarship / Trust Fund.

This policy applies to all MITT employees who have any involvement or decision-making authority with regards to investments at MITT, the Investment Manager and any of their team that works with investments at MITT, and Governing Board Members.

### **3. Procedure: N/A**

### **4. Administration:**

The Associate Vice-President, Finance & Campus Services will provide ultimate stewardship over any excess funds invested on behalf of the Manitoba Institute of Trades and Technology or the South Winnipeg Technical Center Scholarship / Trust Fund.



**5. Review:**

This policy will be reviewed by the Governing Board upon submission of the first Annual Investment Plan and every five years thereafter.

**6. References:**

MITT Administrative Policy Manual Policy CC-4, Conflict of Interest

Board Governance Manual Policy B-3; Conflict of Interest

Board Governance Manual Policy C-4; Audit & Finance Committee – Terms of Reference

Board Governance Manual Policy D-1: Borrowings, Investments, and Banking

**7. Definitions: N/A**