

Investments Policy

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| Category: | Governance |
| Last Modified: | August 2011 |
| Review Date: | August 2012 |
| Approved By: | Executive Committee |
| Contact Person: | The President, Ext 3934 |

Introduction:

The purpose of this policy is to provide clear direction as to the objectives and expected outcomes of investments made by the Association.

Policy Statement:

The Association must set aside resources in order to secure the long-term viability of the Association and provide funds for future development.

Procedures:

Overview

The Investments Policy shall govern all assets of the Association that:

- a) Have no direct or indirect benefit to students in the short term; and
- b) Can be converted into cash in the short to medium term with no material effect on the current provision of services.

The Investments Policy are mutually exclusive policies, and every asset and activity of the Association shall be governed by one and only one of these policies.

The Association shall use investment funds to improve and expand services for students when appropriate and as funds allow, in line with the appropriate approval process for the improvement and expansion of services.

The Chief Executive must:

1. Consult with the Advisory Board when making investment portfolio decisions; and
2. In matters exceeding \$50,000.00, must seek and follow a recommendation from the Advisory Board and subsequent Resolution of the Executive prior to investing or disposing of investments.

| Investment Amount | Action Required | Decision Maker |
|--------------------------|--|-----------------------|
| Less than \$50,000.00 | Consult with Advisory Board | Chief Executive |
| \$50,000.00 or greater | Obtain recommendation from Advisory Board; and resolution of Executive | Executive |

Investment Criteria

The Association shall endeavour to hold between 15% and 17% of its total net assets (less University Bookshop shares) in investments, including on call bank accounts and term investments.

The Association shall adopt a low to medium risk approach to investing resources. No speculative type investments are to be entered into. No trading in equities, property, debentures or similar type investments is permitted.

Short-term funds should be held within the Association's sole banking service provider. Low levels of funds should be held in the working account. Funds surplus to immediate requirements should be held on call or in a term investment account.

Longer-term investment in fixed interest, listed property companies, and equities as recommended by the Association's investment adviser are acceptable on the following basis.

- a) Funds may be invested in parcels of no more than \$200,000, with maturity dates that complement the current portfolio in quality fixed interest issues rated at least "A" or equivalent by Standard & Poor's and Moody's and on the recommendation of the Association's investment adviser.
- b) Funds may be invested in parcels of no more than \$100,000, with maturity dates that complement the current portfolio, in unrated securities, provided our advisor recommends the security
- c) The asset allocation should be predominantly fixed interest (80%), with up to 10% allocated to listed property companies and up to 10% in equities (for longer-term growth).