

Policy name: Investment	Dated approved: November 12, 2014 Revised: February 11, 2015 Revised: June 17, 2015 Revised: September 9, 2015 Revised: February 3, 2016 Reviewed: April 13, 2016
Policy type: Executive Secretary Limitations	Review date: 2016-2017
Purpose of this policy: This policy outlines the budget process to be followed by the Executive Secretary.	

The Executive Secretary shall ensure that the Conference's investments adhere to the Conference's investment policy; (2011)

This policy refers to the Conference Fund. (2015)

General Guidelines

- a) All investments will meet the test of reasonableness, as seen by a prudent investor.
- b) There will be no investment in any entity whose operations might reasonably be regarded as contrary to the mission of The United Church of Canada (Statement of Investment Policies and Procedures – SIPP).

Goal

The primary goal is capital preservation balanced against the annual income and the overall needs of the Conference. (2013)

Income earned from Conference Fund investments will be allocated to the income stabilization line of the Conference's annual budget. (2015)

Time Lines

- a) The expectation is to have 10% of the investments to be liquid within 90 days.
- b) The expectation is to have 20% of the investments to be liquid within 1 year.
- c) The balance of funds (70%) will be invested over 5 – 7 years, with at least 10% available for use each year.

Asset Allocation

The investments will be allocated in the following manner:

- a) money market, cash, or cash equivalents: 0 – 10%
- b) fixed income: 0 – 75%
- c) equity: 0 – 35% (2014)
- d) impact investments: 0-15% (2016)

Eligible Investments

- Cash, Cash Equivalents, and Money Market Securities
 - Government obligations such as treasury bills, strip coupons, debentures, and/or bonds issued directly or indirectly by the federal government or an agency or any of the provinces or territories with an appropriate credit rating of AA or higher.
 - Canadian dollar debt obligations of foreign (non-Canadian and U.S.) sovereign issuers with an appropriate credit rating, AA or higher
 - Term notes, certificates of deposit, bankers acceptances, bonds and strip coupons with an appropriate credit rating,
 - Commercial paper, bonds, debentures, and strip coupons issued of Canadian companies with an appropriate credit rating.
 - Loans to investment dealers (call loans) providing that full collateral value plus applicable margin is held at a banking institution.

- Long Term Fixed Income Instruments
 - Government obligations (i.e. strip coupons, debentures and/or bonds) issued directly or indirectly by the federal government or an agency (Canadian and U.S.) or any of the provinces or territories which hold appropriate credit ratings. Interest and principle are to be serviced in Canadian currency.
 - Canadian chartered bank securities, deposit receipts, term notes, certificates of deposit, bankers acceptances, bonds and strip coupons provided they are of investment grade.
 - Corporate bonds or debentures from Canadian corporate issuers where the rating by major rating agencies is investment grade or better.

- Common Equity
 - Common equity candidates for inclusion in the portfolio will be mostly dividend paying stocks, in order to help meet the income requirements of Toronto Conference.
 - Convertible debentures and preferred shares issued by domestic corporations which are ranked as buy or hold by RBC Dominion Securities.

- Impact Investments (2016)

The Responsible Investments Association uses the Global Impact Investing Network's definition of impact investing: Impact investments are "investments made into companies, organizations, and funds with the intention to generate a measurable, beneficial social and environmental impact along with a financial return. Impact investments can be made in both emerging and developed markets, and target a range of returns from below-market to above-market rates, depending on the circumstances."

Impact investments are typically (but not always) made in private markets, and aim to resolve social and/or environmental challenges. Impact investing includes community investing, where capital is directed to traditionally underserved

individuals or communities, and financing that is provided to businesses with a clear social or environmental purpose.

For Toronto Conference purposes, impact investing could include, but not be limited to, investments through organizations such as Oikocredit, Toronto United Church Council's Investing in Ministry Fund, or the United Church of Canada Foundation.

Investment Limits

- a) The purchase of any securities carrying a credit rating below AA for bonds or A1/R1 for commercial paper is strictly prohibited.
- b) Investments in preferred shares will be limited to those carrying a credit rating of P2 or higher with a minimum outstanding float of 3 million shares.
- c) Ratings used will be from one or more of the following rating agencies: Canadian Bond Rating Service, Dominion Bond Rating Service, Standard and Poor's Credit Rating Service and Moody's Investor Service.

Quantity Guidelines

- a) The cumulative investment of preferred and common shares in any one company shall not exceed 20% of the overall value of the portfolio.
- b) The cumulative investment in common equity stocks of any one organization shall not exceed 10% of the overall value of the portfolio.

Policy Review

- a) This Investment Policy shall be reviewed annually by the Toronto Conference Executive to ensure that it remains consistent with the overall objectives of the Conference and is in compliance with prudent and conservative investment practices
- b) The investment advisers, placement of assets, the brokers and the rates of return will be reviewed annually to ensure the portfolio is meeting the prescribed financial obligations of the Conference.
- c) The list of acceptable investments/investors as approved by the policies of The United Church of Canada will be reviewed to ensure compliance by the current Investment Policy of Toronto Conference.

Fees

Fees may be paid to an Investment Manager who will advise Toronto Conference on its portfolio regarding Asset Allocation items a), b) and c).

The Executive shall confirm annually the appointment of the Investment Manager at the time of the review of the investment policy. (2012)