

# Investment Policy

The co-op is a business and as such, needs to be wise about what it does with it's money.

The **Investment Policy** was put in place to ensure that our money is being invested wisely.



# Kawartha Village Co-operative Homes Inc.

## Investments Policy

The purpose of this policy is to set forth the conditions under which the funds of the Co-operative will be invested.

### 1. Principles

- . Funds shall be invested in a manner that does not jeopardize the financial stability or interfere with the normal operations of the Co-operative.
- . Interest earned on investments must be used to benefit the Co-operative as a whole. No individual member may benefit from Co-op investments in a way that is not generally available to all members of the Co-op.
- . Funds shall be invested in the Co-operative movement whenever possible. No funds shall be invested with institutions whose activities knowingly conflict with the principles and objectives of the co-operative movement.

### 2. Objectives

- . To achieve as good a rate of return as possible from investments.
- . To ensure that the necessary amount of money is available for carrying out the capital projects which are required from time to time.
- . To maximize the amount of working capital available.
- . To offset the effects of inflation on reserves and operating costs.
- . To provide the Co-op with security of principal and the appropriate degree of liquidity of assets.
- . To minimize idle cash holdings.

### 3. Guidelines

- . Investments may be made in the following investment vehicles:
  - . Securities of, or guaranteed by, the Government of Canada
  - . Securities of, or guaranteed by, the Province of Ontario
  - . Term deposits
  - . Guaranteed Investment Certificates

The investment of funds will be governed by:

- . The Co-op's cash flow requirements
- . The forecast for interest rates
- . The rate of return on investment
- . The liquidity of the investment

The following funds are eligible for investment:

- . The Replacement Reserve Fund
- . The Subsidy Reserve Fund
- . Last Month on Deposit / Maintenance Guarantee
- . Retained Earnings

All monies, additional to that needed to cover immediate cash flow requirements shall only be invested for short term deposit. Investment of Co-op funds shall be approved by the Board and shall be in accordance with the Co-op's operating agreement with Canada Mortgage and Housing Corporation.

Original Policy Approved	<u>March 1, 1989</u>
Amended and Approved by the Finance Committee	<u>April 23, 2002</u>
Confirmed by the Board of Directors	<u>May 7, 2002</u>
Approved by the General Membership	<u>October 9, 2002</u>

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Approved by the Board of Directors : August 16, 2016

Confirmed by the Members : October 5, 2016