



**MUNICIPAL DISTRICT OF PEACE NO. 135**

<b>PREPARED BY:</b> Barbara Johnson <b>REVISED BY:</b> Margaret McClarty	<b>ADOPTED BY:</b> COUNCIL	<b>NUMBER:</b> ADM-20
<b>TITLE:</b> Investment Policy	<b>DATE:</b> February 26, 2019 <b>REVISED:</b> October 8, 2024	
<b>PURPOSE OF THIS POLICY:</b> To provide a framework for and guidance in managing the investment portfolio. To provide an accountability structure for the management of investments.		
<b>POLICY STATEMENT:</b> <ol style="list-style-type: none"> <li>1. APPLICATION OF THIS POLICY           <ol style="list-style-type: none"> <li>1.1 Sections 2, 3, 4, 5, 6 &amp; 7 of this policy apply regardless of whether or not the Municipal District of Peace No. 135 (MD) has engaged an external investment manager.</li> <li>1.2 Section 6 applies only if the MD has engaged an external investment manager.</li> <li>1.3 Section 8 applies only if the MD has not engaged an external investment manager.</li> </ol> </li> <li>2. SCOPE           <ol style="list-style-type: none"> <li>2.1 This investment policy applies to all funds of the (MD) on deposit or invested in investment securities.</li> <li>2.2 The funds include:               <ol style="list-style-type: none"> <li>2.2.1 Operating Funds</li> <li>2.2.2 Reserve Funds</li> <li>2.2.3 Any new fund created by the MD, unless specifically exempted.</li> </ol> </li> </ol> </li> <li>3. PRUDENCE           <ol style="list-style-type: none"> <li>3.1 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.</li> <li>3.2 At all times, the individuals responsible for the management of the MD 's funds shall exercise care, balance, and avoid conflicts of interest by always acting exclusively in the best interest of the MD.</li> <li>3.3 The MD may delegate to an agent the degree of authority with respect to the investment of the MD's funds that a prudent investor might delegate in accordance with ordinary investment practice.</li> </ol> </li> <li>4. INVESTMENT OBJECTIVES           <p>The primary objectives, in order of priority, of the MD's investment activities, shall be:</p> </li> </ol>		



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4.1	<p><b>Safety:</b></p> <p>4.1.1 Investments for the MD shall be undertaken in a manner that seeks to ensure the preservation of capital in real, inflation adjusted, terms.</p>		
4.2	<p><b>Liquidity:</b></p> <p>4.2.1 The MD's investment portfolio will remain sufficiently liquid to enable the MD 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>		
4.3	<p><b>Return on Investment:</b></p> <p>4.3.1 The MD'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 MDs investment risk constraints and the cash flow characteristics of the portfolio.</p>		
5.	<b>AUTHORITY</b>		
5.1	<p>Authority to manage the MD's investment program is derived from the following:</p> <p>5.1.1 Section 250 of the Alberta Municipal Government Act</p> <p>5.1.2 The Municipal District of Peace No.135's Council resolutions</p> <p>5.1.3 Investment Regulation AR 66/2000 of Alberta Municipal Government Act</p>		
5.2	<p>Management responsibility for the investment program is hereby delegated to the Chief Administrative Officer.</p>		
5.3	<p>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.</p>		
6.	<b>INVESTMENTS</b>		
6.1	<p>Investments shall be restricted to those authorized under section 250 and Investment Regulation AR 66/2000 of the Alberta Municipal Government Act.</p>		
6.2	<p>The MD 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 MD shall diversify its investments by security issuer and by security type thereby reducing investment risk through proper diversification.</p>		



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7. REPORTING

- 7.1 The Chief Administrative Officer will provide semi-annual reports to Council, noting investments on hand, activity during period, and income or losses on investments.
- 7.2 A review of compliance with the investment policies shall be done annually, and the results will be reported to Council by the Chief Administrative Officer.

8. EXTERNAL INVESTMENT MANAGER

- 8.1 The MD's Council may retain the services of an external investment manager to provide advice and/or investment management services with respect to the MD's investment portfolio.
- 8.2 The external investment manager (if any) is required to act in the best interests of the MD at all times.
  - 8.2.1 Should the MD retain the services of an external Investment Manager then that external manager shall ensure that all investment decisions adhere to the requirements of this policy.
- 8.2 Any agreement with an external investment manager is to be reviewed by Council every three years to confirm that expected results have been achieved.

9. INTERNAL INVESTMENT MANAGER

- 9.1 Should Council decide that all or part of the MD's investment portfolio should be managed internally, then the Chief Administrative Officer shall,
  - 9.1.1 be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.
  - 9.1.2 shall establish procedures for the operation of the investment program consistent with this investment policy.
- 9.2 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.

This policy was APPROVED by Council on October 8, 2024 by Motion #427/24