
INVESTMENT POLICY

PURPOSE:

To maximize the investment return without placing CHATS' assets in undue risk while at the same time maintaining cash flow flexibility.

POLICY:

Fund Protection

The minimum fund balance required by the Growth & Stabilization Fund Policy will be protected by investing these funds to guarantee this value on a daily basis.

Fund Management

1. CHATS funds will only be invested as follows:
 - i. Cash and equivalents as defined as:
 - Treasury Bills, cash or deposit receipts, certificates of deposit, money market funds, bankers' acceptances, guaranteed investment certificates and other similar instruments issued or endorsed by any Chartered Bank or the Federal or Provincial governments.
 - ii. Fixed Income Securities
 - Holdings shall be diversified among Government of Canada, Provincial and corporate securities.
 - iii. Equities:
 - Equity investments shall be in common or preferred shares or convertible securities.
 - iv. Term:
 - A maximum term of 5 years is permitted. Instruments may be redeemed prior to maturity if it is in CHATS' best interests to do so.
2. Funds will be invested in keeping with all applicable legislation of the Province of Ontario.
3. In order to minimize investment transactions, the line of credit can be accessed if repaid within 10 business days. Any longer than 10 days, some investments should be cashed.
4. Investments will be made only through a Chartered Bank or an established and reputable investment firm. Investor profile to be reviewed and approved by the Finance Committee.
5. Deposit levels to be reviewed weekly by the Director of Operations.

Investment Management Responsibility

1. The Board of Directors is responsible for the way CHATS invests its funds. It may delegate the investment management to the Finance Committee of the Board.
2. The Finance Committee is responsible to review investment performance quarterly, and to take action when performance is not in accordance with this policy. The Finance Committee is also responsible to review investments and investment performance with the Board, at least annually.
3. The investment manager will provide an annual report to the Finance Committee certifying his compliance with the Investment Policy. The Committee will present this report to the Board.
4. The Finance Committee will evaluate the investment manager at least annually, with due attention paid to compliance with this policy and performance measured against stated objectives.
5. The Finance Committee may delegate day-to-day management of the funds to the Director of Operations. The Director of Operations will report to the Finance Committee quarterly.
