

<b>Title</b>	<b>Investment</b>		
<b>Classification</b>	Administrative	<b>Oversight &amp; Responsibility</b>	Office of the Vice-President, Finance and Operations
<b>Category</b>	Financial Management	<b>Effective Date</b>	2021--Jun-17
<b>Approval</b>	Board	<b>Policy No</b>	1053

This policy is applied in a manner consistent with applicable statutory and legal obligations, including university collective agreements and terms of employment.

The most up-to-date versions of our policies are posted on the policy and procedure website. If you have printed this policy, check the website to be sure you have the current version.

## Purpose

The purpose of this policy is to provide an investment framework for Royal Roads University and the Royal Roads University Foundation to effectively maintain, manage, and enhance the investment portfolios.

## Authority

In accordance with Section 57 of the *University Act* a university board (through its delegates) is authorized to:

1. invest money belonging to the university and available for investment, and
2. must, when investing under paragraph (1), make investments that a prudent person would make.

## Investment Objectives

The investment objectives of the University and the Foundation differ from each other and are outlined below.

### University

The primary objectives of the investment of assets for the University are to ensure that funds are invested to meet:

1. Preservation of capital in real terms,
2. Generation of sufficient annual cash flow to meet finance the University's capital and revenue investments, and
3. Growth of capital.

### Foundation

The primary objectives of the investment of assets for the Foundation are to ensure that funds are invested to meet:

1. Growth of capital,
2. Generation of sufficient annual cash flow to meet foundation disbursement objectives, and
3. Preservation of capital in real terms.

## **Investment Governance Guidelines (IGG) and Strategic Investment Portfolio Plan (SIPP)**

The IGG governs the management of the University and Foundation investment portfolios. The SIPP outlines the specific investing strategy for each investment portfolio. The IGG and the SIPP shall be reviewed and approved at least annually and as required to ensure they continue to meet the University and Foundation investment objectives.

### **Investment Performance and Investment Management**

Investment performance of the investment portfolios and the external managers shall be assessed by the Board at least annually in accordance with the IGG. Based on the annual review, the Vice-President Finance & Operations may recommend either to continue with the appointed investment manager or initiate a selection process for a new investment manager. The selection of an investment manager shall be made in a prudent manner, using fair selection and evaluation criteria developed for that process.

The Foundation's investment performance is managed and measured, including the stabilization account, to protect donations while stabilizing investment amounts based on yearly returns.

### **Responsibilities**

#### **The Board**

The Board shall:

1. Review the Investment Policy at least annually and make revisions where appropriate;
2. Review the IGG and SIPP for the University and the Foundation at least annually and make revisions if necessary;
3. Approve, monitor and replace the investment managers as appropriate;
4. Consider how ESG issues are incorporated into the investment decision making process;
5. Review the performance of the external managers at least annually; and
6. Review the performance of the investment portfolios at least annually.

#### **The Office of the Vice-President Finance and Operations**

The Office of the Vice-President Finance and Operations shall:

1. Make recommendations on changes to the IGG and SIPP for the University and the Foundation for consideration by the Board as appropriate;
2. Recommend to the Board, for appointment, suitably qualified external professional investment manager(s);
3. Liaise with and review performance of external professional investment managers at least annually;
4. Review performance of the investment portfolios on a quarterly basis and provide performance reports to the Board at least annually; and
5. Ensure accounting for the investment portfolios in accordance with established accounting guidelines.

The Vice-President Finance and Operations will ensure that the investment managers shall:

1. Be accountable for the investment of the assets allocated in accordance with this Policy, the IGG, and SIPP;
2. Comply with the terms of the investment manager agreement;
3. Meet with the Board as required and provide written reports regarding past performance and future strategies at least annually;
4. File an annual compliance report; and

5. Advise the Board on an on-going basis of any change in the organization, personnel or investment process where the change is material to the portfolio being managed by the Fund.

## Related Documents and Information

Related RRU policies

- [Corporate Social Responsibility](#)

Related other sources

- [University Act, RSBC 1996, c.468](#)

## Review, Revision and Approval History

<u>Date</u>	<u>Activity</u>
2010-Sep-17	Approved by Board and implementation
2015-Feb-23	Review performed
2018-Dec-14	Revised; Board approved
2019-Mar-29	Revised; current published version
2021-Jun-17	Revised; Board approved (updated effective date)
2021-Oct-14	Transfer to new template – no content change
2022-Jun-16	Review performed (no content change); Board approved
2023-Dec-11	Revised (administrative changes); Board approved
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2024-Dec-11	Next Review