

<b>Title</b>	<b>Investment</b>		
<b>Classification</b>	Administrative	<b>Oversight Responsibility</b>	Office of the Vice-President, Finance and Operations
<b>Category</b>	Financial Management	<b>Responsible Office</b>	Finance
<b>Approval</b>	Board	<b>Effective Date</b>	2021-Jun-17
		<b>Document 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 the University's 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.

The first appearance of terms in **Bold** in this document (except titles) are defined terms – refer to the Definitions section.

## 1.0 POLICY STATEMENT

This policy provides an investment framework for Royal Roads University ("University") and the Royal Roads University Foundation ("Foundation") to effectively maintain, manage, and enhance the investment portfolios.

## 2.0 SCOPE AND COMPLIANCE

- 2.1 In accordance with Section 57 of the *University Act* a university board (through its delegates) is authorized to:
- a. invest money belonging to the university and available for investment, and
  - b. must, when investing under paragraph (1), make investments that a prudent person would make.
- 2.2 This policy applies to all funds owned by the university.
- 2.3 Non-compliance with this policy may result in appropriate action, managed in accordance with applicable laws and the university's policies, collective agreements, and contracts.

## 3.0 POLICY TERMS

### 3.1 Investment Objectives

#### a. University

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

- i. preservation of capital in real terms;
- ii. generation of sufficient annual cash flow to meet finance the University's capital and revenue investments; and
- iii. growth of capital.

#### b. Foundation

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

- i. growth of capital;
- ii. generation of sufficient annual cash flow to meet Foundation disbursement objectives; and
- iii. preservation of capital in real terms.

### 3.2 Investment Governance Guideline and Strategic Investment Portfolio Plans

- a. The Investment Governance Guideline (IGG) governs the management of the University and Foundation investment portfolios.
- b. The Strategic Investment Portfolio Plans (SIPP) outlines the specific investing strategy for each investment portfolio.
- c. The IGG and the SIPP are reviewed and approved at least annually and as required to ensure they continue to meet the University and Foundation investment objectives.

### 3.3 Investment Management and Performance

- a. External investment manager(s) are selected in a prudent manner based on evaluation criteria developed by the University.
- b. Performance of the investment portfolios and the external investment manager(s) are assessed at least annually in accordance with the IGG.
- c. The Foundation's investment performance is managed and measured, including the stabilization account, to protect donations while stabilizing investment amounts based on yearly returns.

### 3.4 Responsible Investment

The University requires investment decisions to integrate consideration for environmental, social and governance ("ESG") risks and opportunities in the normal course of investing activity.

### 3.5 Review Period

The University will monitor best practices and relevant legislation and revise this policy as required. In any event, this policy will be reviewed at least annually.

## 4.0 AUTHORITY, ROLES AND RESPONSIBILITIES

### 4.1 The Board of Governors ("Board")

The Board:

- a. reviews this policy, the IGG, and the SIPP and makes revisions where appropriate;
- b. considers how "ESG" issues are incorporated into the investment decision making process;
- c. approves and replaces the external investment manager(s) as appropriate; and
- d. reviews the performance of the investment portfolios and the external investment manager(s).

### 4.2 The Vice-President, Finance and Operations

The Vice-President, Finance and Operations:

- a. recommends revisions to this policy, the IGG and the SIPP;
- b. recommends the appointment of qualified external investment manager(s);
- c. liaises with external investment manager(s) on matters relating to day-to-day operations and investment purposes;
- d. reviews the performance of external investment manager(s) and recommends the continuation of the appointment or the selection of new external investment manager(s);
- e. ensures external investment manager(s) operate under the terms of this policy, the IGG and the SIPP;

- f. reviews the performance of the investment portfolios on a quarterly basis and provides performance reports to the Board at least annually; and
- g. ensures accounting for the investment portfolios is in accordance with established accounting guidelines.

## 5.0 DEFINITIONS

For the purposes of this policy:

Funds means a variety of funds that may be generated through operating surpluses or may be granted to the University from time to time and that may or may not be associated with a specific purpose.

## 6.0 INTERPRETATION

Questions of interpretation or application of this policy are referred to the Vice-President, Finance and Operations.

## 7.0 RELATED DOCUMENTS

Royal Roads University documents and information

- Corporate Social Responsibility (policy #1022)
- Investment Governance Guideline (contact Finance)
- Strategic Investment Portfolio Plans (contact Finance)

Legislation and other information

- *Financial Administration Act* [RSBC 1996] Chapter 138
- *Royal Roads University Act* [RSBC 1996] Chapter 409

## 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
2024-Dec-10	Revised; Board approved
2025-Dec-11	Review performed (no content change); Board approved
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2026-Dec-11	Next Review