



Policy Number	037-M-2007
Policy Group	Membership
Policy Name	Investments
Date of Origin	06-2007
Date Amended	06-2011, 09-2009
Date Reviewed	11-2021, 10-2020, 12-2019

PURPOSE To establish guidelines governing the investment of funds.

SCOPE President, First Vice-President, Executive Director, Finance Committee

POLICY STATEMENT SUN's investment policy must remain consistent with the overall objectives of the Union.

PROCEDURE

Investment Guidelines

- 1) **Portfolio Objectives**
The primary objective of the portfolio will be to maximize safety of principal and certainty of payment related to the spending requirements annually and accessibility in respect to bargaining years. Subject to these constraints, the portfolio will be managed with a secondary objective of maximizing the overall return.
- 2) **Asset Mix and Implementation**
The portfolio shall consist entirely of debt instruments with a term of not longer than the expected termination date of the portfolio. Investments will be made with the intention of holding the security to maturity. The investment policy strictly prohibits the portfolio manager from engaging in any activity that would be considered speculative or that would jeopardize the ability of the portfolio to meet its cash flow obligations.



3) Eligible Investments

All investments are made in Canadian funds and may be made in:

- Government obligations (i.e. Treasury Bills Notes, Strip Coupons, Debentures and/or Bonds) issued directly or indirectly by the Federal government or an agency (Canadian and U.S.) or any of the provinces which hold appropriate credit ratings.
- Canadian Chartered Bank Securities, being Bearer Discount Notes, Deposit Receipts, Term Notes, Certificates of Deposit, Bankers Acceptances, and short term bonds and strip coupons.
- Securities of foreign banks or the Canadian affiliates of foreign banks provided that the obligations are guaranteed or carry separate appropriate ratings.
- Insurance Company bonds and/or money market instruments.

The goal of SUN's investment policy is to ensure maximum return with a minimum risk; however, the Union shall not invest in any Government Bonds that result from the privatization of Crown Corporations.

4) Investment Limits

The purchase of any securities carrying a credit rating below "A" for bonds or "A1/R1" for commercial paper or "A" high for insurance companies is strictly prohibited.

Investments of appropriate credit quality may be made subject to the following limits:

Investment Vehicle	Maximum % of Portfolio	Maximum Dollar Value Per Issuer
Federal Governments	100%	Unlimited
Provincial Government	60%	\$2 million
Canadian tier one chartered banks carrying a rating of "A" or better	60%	\$7 million
Insurance Companies carrying a rating of "A" high or better	15%	\$500,000
Commercial paper and obligations of foreign governments and Canadian affiliates of foreign banks with a rating of "A" or higher	10%	\$500,000
Canadian tier two chartered bank and trust companies with a rating of "A" or higher.	10%	\$100,000

5) Application

This investment policy will be implemented, and monitored by an Investment Committee that consists of:

- The President
- The First Vice-President
- The Executive Director

This Investment Committee will implement, review and monitor these guidelines and must approve all changes to them.

6) Reporting

Monthly investment reports shall be prepared for and distributed to the Finance Committee which includes the President, First Vice-President, and Executive Director. Copies will also be provided to the Board of Directors to review at their regular meetings. These reports will contain the following information:

- Complete inventories of all portfolio investments and percentage breakdown by each type of investment type and credit rating.
- Average term to maturity of the portfolio.
- A list of all transactions, whether matured or not, including opening balances, maturities, dispositions, purchases and accrued interest.
- Details of any variations from stated investment policy.

7) Policy Review

This policy shall be reviewed annually by the Investment Committee to ensure that it remains consistent with the overall objectives of the Union and prudent and conservative investment practices. This policy may be reviewed and updated more frequently if necessary.

The Investment Committee will present the investment policy to the Finance Committee and the Board of Directors annually for their review and approval.