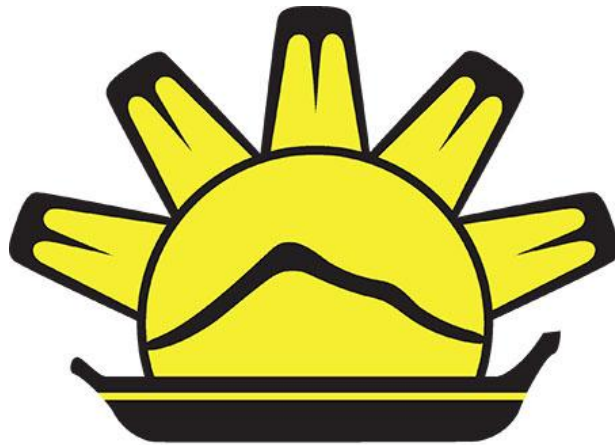


Statement of Policy and Procedure	
BCR #	2016/17-061
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Malahat Nation

Investment Policy

Approved by Council on Dec 6, 2016



Malahat

1. Policy

It is Council's policy that Malahat Nation's investments will be managed and administered in a manner to preserve capital and generate sufficient income and growth to meet the Nation's operational or strategic objects.

2. Purpose

The purpose of this policy is to provide a framework for management of Malahat Nation's investments to achieve short and long term operational and strategic objectives within an acceptable level of risk.

3. Scope

This policy and procedure applies to Council, the Finance and Audit Committee, the Chief Executive Officer, and the Director of Finance.

4. Definitions

"restricted investments" are investments made with funds the source of which is either government transfers, local revenues, or other revenues with restrictions on use.

"unrestricted investments" are investments made with funds the source of which is not government transfers or other restricted revenues.

"portfolio rebalancing" refers to the realigning of the weightings of Malahat Nation's portfolio of assets and involves periodically buying or selling assets in the portfolio to maintain the original desired level of asset allocation.

5. Responsibilities

(1) Council is responsible for:

- (a) determining Malahat Nation's short and long term investment objectives;
- (b) determining allowable uses of available funds;
- (c) approving preliminary risk assessment of funds;
- (d) selecting / de-selecting investment manager(s) and custodian(s);
- (e) approving the creation of an investment account;
- (f) approving funds to be invested; and
- (g) approving the redemption of invested funds.

- (2) The Finance and Audit Committee is responsible for:
 - (a) monitoring performance against established benchmarks made by Council

- (3) The Chief Executive Officer or delegate is responsible for:
 - (a) monitoring the performance of all parties to whom duties have been delegated;

- (4) The Director of Finance or delegate is responsible for:
 - (a) performing a preliminary risk assessment analysis against criteria to be met prior to investing decisions made by Council;
 - (b) maintaining a record of the amount of, and market value of, the asset classes and units held within the investment portfolio; and

6. Procedures

Selection of Investment Manager(s) and Custodian

Council will select the Investment Manager(s) and Custodian.

A Custodian Agreement and Investment Management Agreement(s) will be entered into by Malahat Nation. Agreements must be consistent with this policy and procedure, and must facilitate execution of the short and long term investment strategies.

Termination of Investment Manager(s)

- (1) Council may terminate an Investment Management Agreement for:
 - (a) performance results;
 - (b) changes in Malahat Nation or its investment strategy which would no longer require the services of an Investment Manager;
 - (c) changes in Investment Manager personnel, firm or ownership structure, investment philosophy, style or approach which might adversely affect the potential return and / or risk level; and
 - (d) failure to adhere to this policy and procedure.

Designation and transfers of investment funds

- (1) The Director of Finance will notify Council when there are Malahat Nation funds available for transfer to the investment account(s). Council must approve the transfer of funds to and from the investment account(s) and authorize the creation of a new investment account if required.
- (2) The Director of Finance will communicate and oversee approved requests to redeem investments and transfer the proceeds to Malahat Nation.

Permitted Investments

- (1) Restricted funds may only be invested in :
 - (a) securities issued or guaranteed by Canada or a province;
 - (b) securities of a local, municipal, or regional government in Canada;
 - (c) investments guaranteed by a bank, trust company or credit union;
 - (d) deposits in a bank or trust company in Canada or non-equity or membership shares in a credit union; or
 - (e) securities issued by the First Nations Finance Authority.

Monitoring of Investments

- (1) The Director of Finance will reconcile the investment and custodian accounts to the general ledger and financial statements.
- (2) The Director of Finance will prepare a monitoring report and provide that report to the Chief Executive Officer. The Chief Executive Officer will review the report, add his / her recommendation(s), and provide the report to the Council.
- (5) The Council will review the monitoring report and accompanying recommendations and make any necessary decisions.

Re-balancing of the Investment Portfolio

- (1) The Chief Executive Officer and Director of Finance will transmit any rebalancing instructions to the Custodian and Investment Manager only if first approved by the Council.

7. References and Related Authorities

(1) FMB's Financial Administration System Standards

(a) Standard 19.3 – Investments

(2) FMB's Financial Administration Law Standards

(a) Standard 17.3 – Investments

8. Attachments

None