

## Investment Policy



<b>Section</b>	<b>Date</b>	<b>By-Law Number</b>	<b>Page</b>	<b>Of</b>
The Muse	June 21, 2023	71-2023	1	3
<b>Subsection</b>	<b>Repeals By-Law Number</b>		<b>Policy Number</b>	
Investment	N/A		MU-01-11	

### **Purpose:**

The goal of this policy shall be to identify investment objectives and guidelines of The Muse while meeting the related statutory requirements.

### **Responsibilities:**

1. The Muse Board has been delegated authority over the operation and control of The Muse and is responsible for the development, recommendation, implementation and maintenance of Board policies. Investments made in accordance with this policy shall be made with judgment and care, under the circumstances then prevailing, which persons of prudence, direction and intelligence exercise in the management of their own affairs. Investments shall not be made for speculation but in consideration of the probable safety of capital as well as the probable income to be derived. Members of the Board and authorized employees acting in accordance with this policy and exercising due diligence shall not be held accountable for less than desirable outcomes of an investment's credit risk or market price changes.

### **Authority:**

2. As a Board established by By-law of the Corporation of the City of Kenora, the investment activities of The Muse shall comply with Section 418 of the Municipal Act, 2001 and specifically Ontario Regulation 438/97, "Eligible Investments and Related Financial Agreements", as amended from time to time.

### **Guiding Principles:**

3. While adhering to statutory requirements, when investing funds available, consideration shall be given to:
  - Preservation of capital – preservation and maintenance of principal shall be the primary objective.

## Investment Policy

<b>Policy Number</b>	<b>Page</b>	<b>Of</b>
MU-01-11	2	3

- Liquidity – The Muse is expected to operate in perpetuity and funds available for investment are generally not expected to be used for operating or day-to-day cash flow requirements. However, since all possible cash demands cannot be anticipated, the investment portfolio shall consist in part of securities with active resale markets or other investments that offer liquidity for short-term funds. Consideration shall also be given from time to time to major projects or exhibits which may have unusual cash requirements.
- Diversification – investments shall be diversified by asset type and class and by term with a view to minimizing risk to the extent possible, given the legal and regulatory constraints.
- Yield – The Muse shall maximize the rate of return on investment assets while minimizing risk and expenses and without compromising the other objectives previously listed.

### **Eligible Investments:**

4. In accordance with Ontario's Eligible Investments and Related Financial Agreements Regulation, The Muse is not authorized to invest in securities other than those listed in the Regulation.

### **Benchmarks:**

5. The investments will be managed in accordance with the parameters specified with this policy. Market yields should be higher than the rate given by The Muse's bank for various bank accounts.

### **Allocation Range**

- 6.

<b>Asset Allocation Range</b>	<b>Target</b>	<b>Limits</b>
Cash & Equivalents	15%	0-50%
Bonds and fixed income	45%	20-60%
Equity	40%	20-40%

## Investment Policy

<b>Policy Number</b>	<b>Page</b>	<b>Of</b>
MU-01-11	3	3

### **Maximum Maturities:**

7. To the extent possible, reserve funds with longer-term horizons shall only be invested in securities exceeding 10 years if the maturities of such investments coincide as nearly as practicable with the expected use of the funds.

### **Reporting:**

8. The Muse Director or designate shall submit quarterly reports of fund performance to the Board of Directors, including a list of the investments held at the end of the reporting period and a record of the date of each portfolio transaction, if any. Rebalancing, if any, shall be done at that time. Market value of the portfolio shall be calculated at least annually as at December 31<sup>st</sup>.

### **Authority:**

9. Transactions related to investments require the approval of a quorum of the Board of Directors. Signing authority shall be the same as that for The Muse's bank accounts.

### **Review:**

10. The Investment Policy shall be presented by the Director of The Muse Board for review at a minimum of every three years.