



## F1-9 INVESTMENT POLICY

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### SCOPE

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It is the policy of the Foundation to effectively employ cash surpluses and endowment funds through prudent investments. This policy may be subject to review by the Finance Committee of the Board of Directors from time to time, as required by the Foundation's changing resources and objectives, but not less than once each calendar year.

It is anticipated that the following investment objectives will be pursued:

- *Capital Preservation and Investment Yield*

The principal objective of the Foundation's investment activities will be to preserve capital. It is the secondary objective of the Foundation's investment policy to maximize investment income/yield. Investments will be made such that the yield will be adequate to preserve the capital of the Foundation in real terms.

- *Liquidity*

The Foundation intends to invest cash that is not required to fulfill day-to-day operational commitments. Depending on the purpose of the specific funds maintained, each may require a different level of liquidity.

This investment policy was determined with reference to the following constraints:

- *Time Horizon*

There is a different time horizon for each fund. The operational funds may be shorter in duration and require careful cash flow management.

- *Tax Considerations*

This investment policy will be determined independent of any tax considerations as the Foundation is a non-taxable entity.

- *Risk Aversion*

The Foundation has determined that there is no tolerance for loss of capital. Investments made by the Foundation will be in accordance with the asset mix guidelines set out in this policy to offset the volatility of certain types of investments and minimize the risk of permanent capital impairment.



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- *Socially Responsible Considerations*

The investments that form the Foundation's portfolio must not be contrary to the Foundation's principles. These considerations should include environmental, social justice and governance screens.

## **POLICY**

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### **NATURE OF INVESTMENTS**

#### *Money Market*

To provide sufficient liquidity to the overall portfolio, a money market balance equal to no less than 2 months of operating funding must be maintained at all times in the operating accounts.

There is no limit on the percentage of the portfolio that is made up of Government of Canada and Government of Canada guarantees and Provincial Government and Provincial Government guarantees of Alberta, British Columbia and Ontario.

#### *Fixed Income*

After taking into account any operating cash requirements, the Foundation's portfolio should consist primarily of fixed income securities and/or GIC's of one or more years' duration.

Corporate bonds are not permissible, due to the fact that they carry higher risk than government paper.

There is no limit on the percentage of the portfolio that is made up of Government of Canada and Government of Canada guarantees and Provincial Government and Provincial Government guarantees of Alberta, British Columbia and Ontario.

#### *Equity*

The Foundation will not invest in equities.

### **SOCIALLY RESPONSIBLE INVESTMENT CONSIDERATIONS**

Socially responsible or ethical investing is a strategy which seeks to maximize both financial return and social good. Ethical investment policies generally exclude tobacco, alcohol and weapons, but may not consider environmental issues important to the Foundation.



## **PROCEDURE**

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### ***Responsibilities***

The CEO or his/her designate is responsible for ensuring that the policy is applied and will report on the Investment Portfolio to the Finance Committee on a quarterly basis.

### ***Cash on Hand Balance***

The cash on hand balance will depend on the specific pool of funds and may change from time to time based on cash flow requirements for operations.

### ***Investment Advisor***

The CEO or his/her designate will make a recommendation to the Finance Committee with respect to an Investment Advisor who will manage the portfolio in a manner consistent with this policy. On recommendation of the Finance Committee the Board will approve the Investment Advisor. The Investment Advisor will meet with management and the Finance Committee at least annually to report on portfolio performance.