

Policy Title	Investment Scholarships, Bursaries and Award Trust Funds		
Date of Issue	January 18, 2011	Related Procedure	
Revision Dates	February 15, 2011; February 21, 2012 (rev. Rationale-Strategic Plan); February 17, 2015; October 20, 2015	Related Forms	
Review Date	October 1, 2020	Originator	Board of Trustees
References			
Trustee Act; Ontario Regulation 41/10 "Board Borrowing, Investing and Other Financial Matters"			

Policy:

1.0 RATIONALE

- 1.1 Bluewater District School Board policies will support and provide direction necessary to achieve the board's Vision, Mission and Strategic Plan priorities.
- 1.2 Bluewater District School Board adheres to preservation of capital and generation of income unless otherwise dictated by the trust documents. The board's portfolio should be managed to earn as competitive a rate of return as is possible, without compromising the highest investment quality standards.

2.0 POLICY

- 2.1 This policy establishes a prudent framework for the management of Bluewater District School Board's Trust Fund, Scholarships and Awards investment portfolio. It specifies the board's specific investment objectives and sets standards for reporting and review. In the absence of any direction from the original trust holder, the board is obligated by the Trustee Act for the investment of these types of funds.
- 2.2 This policy is designed to assist both the board and the board's investment advisor in maintaining focus on achieving long-term objectives regardless of changing market conditions.
- 2.3 The assets shall be invested using an advisor from Royal Bank of Canada (RBC) Dominion Securities to manage the portfolio.
- 2.4 The board is governed by Ontario Regulation 41/10 "Board Borrowing, Investing and Other Financial Matters".

3.0 SYSTEM EXPECTATIONS

- 3.1 **Risk Tolerance**
The portfolio is characterized as having a low risk level due to a focus on capital preservation. This means that the portfolio returns may not be able to fully compete with inflation. There is no consideration of equity exposure in the portfolio.

3.2 Liquidity

Approximately 20% of the board’s portfolio may be held in cash or cash equivalents for specific portfolio management-related uses. Over the short term, the portfolio should be sufficiently flexible to accommodate any specific income withdrawals that may be required.

3.3 Commission and Fees

Commissions and fees that would reduce the capital portion of the investments below its original amount cannot be charged. Fees accruing directly to the investment advisor from providers before payment of income are acceptable providing the fees do not erode a reasonable return on investment.

3.4 Reporting

On a monthly basis, the board treasurer shall receive trade confirmations and a statement itemizing all transactions. Semi-annually or as requested, a formal portfolio tabulation together with a written investment outlook shall be completed along with a verbal review. Annually the board treasurer shall receive a comprehensive portfolio review, including performance evaluation, and review of the Investment policy statement to ensure it continues to meet the needs of the fund.

3.5 Limitations to Investment

Investments made under this policy shall not contradict the directions of the original trust. Investments will be made only in companies and organizations that are in compliance with the board’s vision, mission and policies (e.g. no tobacco etc.)

3.6 Asset Allocation

When the portfolio’s asset allocation exceeds the lower or upper asset allocation ranges, a review of the asset allocation may occur to assess if rebalancing is necessary.

Asset Allocation	Lower	Policy	Upper
Cash or Cash Equivalents	0%	20%	35%
Fixed Income	65%	80%	100%
Equity	0%	0%	0%

3.7 Superintendent of Business Services - Responsibilities

- i. The Superintendent of Business Services will coordinate the following responsibilities:
 - a) Presenting pertinent items associated with the investment of funds to the Business Committee of the Whole for discussion and/or approval as required.
 - b) Completing an annual review of this policy and related investment reporting to ensure that both are meeting the requirements of the trust funds and policy expectations.
 - c) Assessing the recommendations of the securities advisor related to policy revisions that reflect current market conditions and make recommendations to the Policy Standing Committee.
 - d) Ensuring asset mix compliance is adhered to and make recommendations for policy change to the Policy Standing Committee where required.
 - e) Ensuring compliance with individual trust agreements.
 - f) Assisting in communicating fund performance to schools and trust fund interested parties.
 - g) Setting the annual pay-out rate based on estimated fund earning for the period (where fund distribution amounts are not regulated by the trust documents).
 - h) Engaging in policy discussions that assess the payment of bursaries and awards in relation to student needs and administrative efficiencies to ensure continuing compliance with the fund direction; e.g. minimum award level, aggregating awards of a similar nature,

directing donors towards certain objectives that better serve the interest of students, engagement of Bluewater Education Foundation in the trust fund and investment process.