

may be granted to the University from time to time and that may or may not be associated with a specific purpose; a fund for future buildings would be an example of a non-endowment, specific purpose fund.

funds normally generated from grants, tuition fees and other sources that are received in advance and are expected to be used within a short period of time, usually 12 months, for the operating expenses of the University.

Other funds that are entrusted to the University as may be identified from time to time.

A person or organization that makes investments in portfolios of securities on behalf of clients under the investment objectives and parameters the client has defined.

POLICY

1. Principles:

The university will establish standards of care and governance for the effective management of its investments and to create balance between returns and risks.

Effective standards of care will include:

Prudence

The prudent person standard will guide investment management at UFV. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Ethics and Conflict of Interest

Board members and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Board members and employees shall disclose any material interest in financial institutions with which UFV conducts business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio.

2. Investment Governance Structure

The Board of Governors, through its Finance & Audit Committee, will give guidance to investment strategies and monitor the performance of the investments of UFV. The President is delegated the administrative and operational responsibility of UFV investments within the parameters of this policy.

The President or designate will ensure the appointment of one or more suitably qualified external professional Investment Managers to manage the Endowment Fund(s) of UFV. The selection of (an) Investment Manager(s) will be

made in accordance with the Code of Ethics and Standards of Practice of the Chartered Financial Analyst (CFA) Institute.

3. Responsible Investing

The University believes that its fiduciary responsibility for managing investment risks includes the risk pertaining to environmental, social and governance (ESG) issues. As a responsible owner, the University will require that its Investment Manager(s) be signatories to the United Nations Principles of Responsible Investment (UN PRI), and incorporate ESG considerations into the investment decision-making process, including individual security selection. The University will regularly engage and collaborate with its active Investment Manager(s) on matters related to ESG, including, but not limited to, information on proxy voting, AGM attendance and company engagement.

Specifically, the University will:

Integrate the consideration of ESG factors into the investment process as an additional criterion in the selection and ongoing monitoring of active Investment Manager(s)

Obtain, review and disclose annual disclosures from active Investment Manager(s) on how ESG factors are incorporated into their investment decision making processes

4. Investment Objectives

The investment management of the Funds will be made in a manner that reflects the different objectives of those Funds. Each Fund will be managed to balance the investment return and risk objectives of those Funds.

Endowment Fund(s)

The primary investment objectives of Endowment Funds are to preserve and maintain the purchasing power of the endowment capital and to meet the annual cash flow obligations of the Fund(s). Liquidity is not paramount as long as the funds generate enough cash flow to meet the annual spending allocation. Considering a long-term time horizon and the ability of the portfolio(s) to accept some volatility, the investment portfolio(s) will be sufficiently diversified to meet the investment objectives. Endowment Funds will be managed by the appointed Investment Managers operating within approved investment mandates. Acceptable securities will be aligned with the fund objective as outlined in the investment mandates.

The investment portfolio shall be designed to attain a market rate of return, taking into account, the risk constraints and liquidity needs. Investments are limited to relatively low risk securities and a list of acceptable securities is included in Appendix A

APPENDICES

Appendix A

Funds Other Than Endowment Acceptable Securities

Certificates of deposit

Investment certificates issues by banks, credit unions, insurance companies
and trust companies Treasury Bills

Commercial paper, rated R-1, high or middle Banker's Acceptances, rated R-1,
high or middle

Canadian government bonds

Provincial & municipal government bonds – minimum of AA rating Corporate Bonds – minimum
AA rating Investments for the betterment of UFV as specifically approved by the Board of
Governors