

**Saskatchewan Horse Federation (SHF)**

**Policy: Investment Policy**

**Board Approval Date: February 5, 2019**

**Responsible: Finance Committee**

**Effective Date: February 5, 2019**

**Next Review Date: February, 2021**

**Last Revised: development began December 2018**

**Introduction:**

1. The policy statement applies to the assets (the “Fund”) accumulated by the SHF for the purpose of maintaining and preserving ongoing business operations and financial contingencies.
2. An external investment manager, agent or advisor providing investment services for the Fund shall accept and adhere to this Policy.

**Purpose:**

3. It is the Federation’s responsibility to ensure sufficient financial resources exist to properly service and maintain its ongoing business operations and financial contingencies.
4. The purpose of this policy is to establish investment principles and guidelines appropriate for the purposes the Fund is maintained.
5. The objectives of the Policy are:
  - a. Maintaining the safety of capital.
  - b. Maximizing returns at an acceptable level of risk.

**Administration:**

6. The Board has delegated responsibility for the Fund Management to the Finance Committee and the activities of the Committee are reported to the Board by the VP of Finance.
7. The Executive Director reviews and administers the account with direction from the Finance Committee.
  - a. It is understood that annual inflow of funds creates temporary surplus “cash bubbles” that may require short term investment until funds are required. Short term investment of these funds, in Board approved interest-bearing products, is the responsibility of the Executive Director.
  - b. Withdrawal of funds to meet cash flow requirements requires the Executive Director obtaining approval from the Finance Committee.

**Return /Risk Considerations:**

8. The Federation recognizes that investments carry varying degrees of risk and return however the risk tolerance is defined as “low to no risk” acknowledging this results in a lower rate of return.
9. Permitted categories of no risk Investments include:
  - a. **Flexible GIC**
  - b. **1, 3 and 5 year Laddered GIC**

**Monitoring:**

10. The Finance Committee will review the investment portfolio annually, or at such times as investment’s reach maturity, in order to monitor rate of return and policy compliance.
11. The Finance Committee will provide a mid year investment report to the Board.

**Who should know this Policy:**

The Board of Directors, Audit and Finance Committee, SHF Investment Manager, Sask Sport Auditor, SHF Auditor, Policy Review Committee, Executive Director and the Administration Manager.

**Policy Review:**

12. The Policy shall be reviewed every two years to determine modifications, if any, or to address shortcomings of the Policy Statement.

**History: (dates & modifications made to the policy)**

1. In December 2018 it was determined that the Risk Tolerance level on SHF investments had been set up in 2008 with weighting of Low Risk level of 10%, Medium Risk level of 90% and 0% in High Risk investments. Upon review this was not acceptable to the board and this Investment Policy was developed to clearly define the acceptable risk threshold and that investments were to be moved 100% Low/No risk.