

# INVESTMENT POLICY

## Ontario Museum Association



### INTRODUCTION

The Ontario Museum Association (OMA) is a provincially registered charity, not for profit organization.

The purpose of the Investment Policy is to establish a prudent framework for the management of the Ontario Museum Association's investment portfolio. It specifies specific investment objectives and sets standards for reporting and review.

### RETURN OBJECTIVES/EXPECTATIONS

The objective of this portfolio is to generate conservative returns with the objective of increasing the value of the portfolio over the long term, ensuring the Ontario Museum Association's ability to be self-sustaining. Accordingly, the portfolio will be managed with the goal of earning a rate of return that is greater or equal to the rate of inflation plus 1% over the long term.

### INVESTOR PROFILE/RISK TOLERANCE

Due to the focus on capital maintenance, the portfolio can be characterized as having a conservative risk level. Due to its status as a registered charity, not-for-profit organization and the fact that it receives most of its operational funding from one level of Government (Provincial) and self-generated funds, such as membership and conference and course fees, the OMA is an investor who is not willing to accept fluctuations in the portfolio's value.

### TIME HORIZON

The portfolio has a long-term horizon i.e. greater than ten years, but the funds must remain liquid, in the event that withdrawals are needed to help fund special projects or in any event as seen fit by the Ontario Museum Association's Council. mandatory step in the complaints process.

### *Liquidity/Income Needs*

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As there may be withdrawals from time to time the portfolio should maintain a weighting of approximately 50% cash or cash equivalents.

## LEGAL AND REGULATORY

As the Ontario Museum Association is a reinserted charity it maintains a non-taxable status. It can issue tax receipts for donations \$20.00 or more.

## INVESTMENT SOLUTION/RECOMMENDED ASSET ALLOCATION RANGES

### 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.

	Lower	Target	Upper
Cash/Cash Equivalents	25%	75%	100%
Fixed Income	30%	40%	50%
Equity	5%	10%	25%

### Eligible Investments

Cash, Cash Equivalents such as short to mid-term GICs, and Fixed Income such as Government obligations, i.e. Treasury Bills, Strip Coupons issued directly or indirectly by the Federal government or an agency or any of the provinces with an investment grade credit rating, are acceptable. Non-government fixed income bonds rated A- or higher are also permissible.

Canadian Chartered Bank Securities (being Deposit Receipts, Term Notes, Certificate of Deposit, Bankers Acceptances, bonds and strip coupons) of the six (6) largest banks in Canada.

Investments may also be made in any CDIC guaranteed investments up to the current CDIC

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limit (currently \$100,000).

Equity Investments can include investments in exchange-traded funds, such as, but not restricted to, Vanguard and iShares. Investments in individual publicly traded companies are prohibited. Due to the OMA's status as a registered charity, the investment in equities should not exceed 25% of the total portfolio.

## Reporting and Review

On a monthly basis, the Museum will receive trade confirmations and a statement itemizing any transactions and the current positions of the account. The statements will be provided to Council Members for review upon request. On a calendar year basis the OMA will receive a rate of return of the performance of the account.

## History

This policy is new and does not replace any previous Investment Policy. It became effective as of April 28, 2023, when approved by Council.

## Roles and Responsibilities

The OMA Council and Senior Management are responsible for reviewing the investments and deciding on the investments.

## Review

The *Investment Policy* shall be reviewed annually by the OMA Council to ensure that it remains consistent with the overall objectives of the Ontario Museum Association and prudent and conservative financial management and investment practices. This Policy may be reviewed and updated more frequently if necessary.

## Relevant Policies and Legislation

The Ontario Museum Association By-Laws

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Ontario Museum Association's Banking Resolution

Applicable Provincial and Federal Legislation governing registered charities and not-for-profit organizations and banking and investment practices.

### Approval Status

Approved

### Approval Date

April 28, 2023

### Policy Effective

April 28, 2023

### Signed

  
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Cathy Molloy, Board President

April 28, 2023  
Date

  
\_\_\_\_\_  
Treasurer, Council

April 28, 2023  
Date