 <p>Capilano Students' Union</p>	<b>Policy No.</b>	<b>Approval Authority</b>
	OP-02	Board of Directors
	<b>Policy Name</b>	<b>Approval Date</b>
	<b>Responsible Investing Policy</b>	<b>May 20, 2022</b>
	<b>Responsible</b>	<b>Scheduled Review</b>
	Finance and Audit Committee	3 years

## Purpose


This Investment Policy Statement applies to the medium to long term non-endowed assets (the “Funds”) held by the Capilano Students’ Union (the “CSU”). The purpose of this Investment Policy Statement (“the Statement”) is to outline the procedures and policies to effectively manage and monitor these investment assets.

## Scope

This policy applies to any employees, board members, contractors, or anyone else who makes decisions about or carries out investment activities on behalf of the Capilano Students’ Union. This policy relates to both direct and pooled investments. Any investment manager or any other agent or advisor providing services in connection with the Funds must accept and adhere to this Statement.

## Principles

1. **Responsible Stewardship:** The Capilano Students’ Union prioritizes the protection of our members’ assets (student society fee revenue) in our investment activity, and requires investment managers to prioritize the preservation of capital above other priorities and to manage the Funds in accordance with all applicable legal requirements. The executive director and the vice-president, finance and services must ensure that the board receives adequate education on its financial responsibilities to ensure that the board can discharge its stewardship duties responsibly.
2. **Appropriate Liquidity:** The Capilano Students’ Union needs to be able to move quickly on the priorities of the membership through our elected board, and so our approach to investment management must ensure an appropriate level of liquidity to fund planned medium-term and long-term projects. Cash required in the short term is to be invested in shorter-term securities.
3. **Importance of Rate of Return:** The investment is expected to earn a pre-fee rate of return in excess of the benchmark return over the most recent five-year rolling period. Return objectives include realized and unrealized capital gains or losses

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plus income from all sources. Returns will be measured quarterly and will be calculated as time-weighted rates of return. The benchmark is composed of asset mix, ranges and benchmarks (see “Asset Mix”).


- 4. Environmental, Social and Governance Factors:** The CSU aims to incorporate socially responsible investing considering Environmental Social and Governance (ESG) criteria as a constraint for the Portfolio. The investment manager shall use a reputable means of screening for socially responsible organizations, such as the Sustainalytics screening process.

**4.1. Preference is to invest in companies that apply the following attributes:**

- 4.1.1. Adherence to a high level of corporate governance;
- 4.1.2. Effective and transparent environmental practices;
- 4.1.3. Respect for communities in which they do business, whether local or abroad;
- 4.1.4. Equitable and progressive employment practices;
- 4.1.5. Progressive human rights practices;
- 4.1.6. Produces safe products; and
- 4.1.7. Excellent customer relations.

**4.2. Except to the extent necessary and appropriate for engaging in shareholder activism, the CSU will not invest in companies whose primary line of business includes:**


- 4.2.1. Tobacco;
- 4.2.2. Alcohol;
- 4.2.3. Mining;
- 4.2.4. Oil and gas;
- 4.2.5. Forestry focused on old-growth logging or with disregard for sustainable forestry practices;
- 4.2.6. Aquaculture;

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- 4.2.7. Nuclear weapons;
- 4.2.8. Military;
- 4.2.9. Pornography;
- 4.2.10. Gambling business;
- 4.2.11. Employing child labour;
- 4.2.12. Supporting unfair labour practices; and
- 4.2.13. Supporting unfair business practices.

## Roles and Responsibilities

1. **The board governs and oversees our investments.** The board is accountable to the membership for the responsible stewardship of the organization's assets and resources, and for establishing the structure within which our investment activities take place. In particular:
  - a. The board approves the investment policy and any amendments to it.
  - b. The board must ensure that there is an investment manager in place, and approves the appointment of investment managers.
  - c. The board receives an annual report from the investment managers.
2. **The finance and audit committee leads investment oversight and advises the board.** Led by the vice-president finance and services, the committee receives quarterly reports on the organization's investment performance and provides guidance to the investment managers respecting their approach to investing our assets. In particular:
  - a. The finance and audit committee studies proposed amendments to the investment policy and provides recommendations to the board on whether they should be approved.
  - b. The finance and audit committee meets on a semi-annual basis with the investment managers to discuss the organization's investment performance.

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- c. On the nomination of the executive director, the finance and audit committee reviews and recommends to the board proposals for the retention of investment managers to execute the organization’s day-to-day investment activities.
  - d. The finance and audit committee provides feedback to the executive director and the investment managers to ensure that the board and the committee have the resources and information that they need to effectively oversee the organization’s investments, including advice on financial training and development opportunities for the board.
  - e. The finance and audit committee regularly evaluates whether this policy continues to meet the organization’s needs respecting risk, internal controls, and processes.
3. **The executive director manages the investment process.** They oversee the work of staff with respect to coordinating the organization’s activities under this policy, and they retain and direct investment managers (subject to board approval) to ensure that the board’s investment-related objectives are achieved. Working with staff, they ensure that the board, committee, and other elected decision-makers have the resources and support that they need. In particular:
- a. The executive director oversees day-to-day investment activities to ensure that they are consistent with policy direction set by the board and the finance and audit committee.
  - b. The executive director contracts and retains the necessary investment managers, consultant(s), and any other professionals necessary to carry out policy objectives.
  - c. The executive director ensures that service providers retained to provide investment services carry out their services in accordance with the terms and conditions of their contracts; ensures that any service providers are free of real or apparent conflicts of interest; and ensures that any service providers have performance monitoring and reporting processes in place


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to provide accurate and timely feedback on investment activity to the finance and audit committee and the board.

- d. The executive director meets regularly with service providers to evaluate compliance with investment guidelines, performance expectations, outlook and investment strategies, and to rebalance assets to ensure compliance with approved asset allocation ranges.
  - e. The executive director shall regularly consult with the vice-president finance and services respecting the operational activities and decisions undertaken under this policy.
4. **Investment managers execute our day-to-day investment activities.** They are responsible for conducting the organization’s investments in accordance with this investment policy, and any instructions of the executive director (being consistent with this policy, and the direction of the board and the finance and audit committee). In particular:
- a. Investment managers must comply with the [Code of Ethics and Standards of Professional Conduct](#) established by the CFA Institute and, when making long-term investments on behalf of the Capilano Students’ Union, they must comply with Standard III-C, ensuring that investments are suitable for our organization. In making this determination, investment managers must consider each of the following factors:
    - i. the needs and characteristics of the Capilano Students’ Union;
    - ii. the basic characteristics of the investment being proposed;
    - iii. the characteristics of the entire portfolio of the Capilano Students’ Union; and
    - iv. environmental, social, and governance factors.

## Asset Mix

The investment managers shall ensure that the investments of the Capilano Students’ Union are within the asset mix range set out in the table below. The given ranges

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provide flexibility for the investment managers to invest in pursuit of this policy's objectives while providing a strategic target/weight.

<b>Asset Class</b>	<b>Asset Mix</b>	<b>Benchmark</b>	<b>Target/Weight</b>
Money Market	0-15%	<i>FTSE TMX Canada 30 Day T-Bill Index</i>	5%
Fixed Income	50-80%	<i>FTSE TMX Canada Universe Bond Index</i>	50%
<i>Canadian Equities</i>	15-45%	S&P/TSX Index	30%
<i>Non-Canadian Equities</i>	5-35%	S&P 500 Index	15%
<b>Total</b>	<b>100%</b>	<b>Combined Benchmark</b>	<b>100%</b>

## Delegation

The board delegates the administration of this policy, and the authority to create investment programs and procedures to support this policy, to the executive director.

## Review and Monitoring

The finance and audit committee monitors compliance with this policy, and is responsible for triennially reviewing this policy and recommending necessary updates to the board.

## Related Laws, Policies, and Procedures

- [Ethical Purchasing Policy](#) (OP-01)
- [Code of Ethics and Standards of Professional Conduct](#) (CFA Institute)