PROCEDURE

1.0 Governance

Responsibility for governance of investment funds is divided among the College’s Finance Department, the Office of Alumni and Advancement and the Provincial Awards Committee.

1.1 Finance Department

The Finance department provides expertise and knowledge in the effective management of the College’s investment funds and provides the following:

- An annual report to the College Executive which would include investment performance to date in relation to economy and markets
- Review of the policy as required
- Assurance that the investments meet all requirements of the trust and endowment funds
- Performance monitoring and review of all investment funds

1.2 Office of Alumni and Advancement/Provincial Awards Committee

The Office of Alumni and Advancement in cooperation with the Provincial Awards Office of Student Services ensures that the terms of reference are signed for each donated endowment and that the College is able to adhere to any restrictions.
2.0 Description of College Funds

2.1 Endowment Funds

The endowment fund consists of donated funds through corporate, individual and endowed trust and other funds of a permanent nature. The total principal amount of these funds will be invested to ensure support for College of the North Atlantic scholarships in perpetuity.

2.2 Non-Endowment Funds

These funds consist of expendable funds which are combined for investment purposes only until the funds are required for use.

2.3 Specifically Invested Trust Funds

In the case of specifically invested Trust Funds which may consist of both endowed and expendable funds they cannot be pooled for investment purposes because of conditions and restraints that may be attached to the funds by a donor.

3.0 Investment Horizon

College of the North Atlantic has an investment horizon that can be described primarily as long term.

4.0 Asset Allocation

Allocation of Assets is to be maintained in the following manner:

<table>
<thead>
<tr>
<th>Allocation Class</th>
<th>Asset Mix</th>
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<tbody>
<tr>
<td>Cash</td>
<td>5%</td>
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<tr>
<td>Fixed Incomes: GICs, federal &amp; provincial government bonds</td>
<td>95%</td>
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</tbody>
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5.0 Investment Constraints

Investment vehicles shall include Guaranteed Investment Certificates and Bonds issued by Canada and the Provinces. In the case of GICs, they shall be allocated among major chartered banks to avail of Deposit Insurance.

All investments will be “laddered” over a three-year period to optimize both liquidity and return.
6.0 Return Objectives

A rate of return of 3% is reasonable to support the level of annual scholarship funding to be distributed to students and to maintain the principle amount of the endowment. Evaluation of the performance of the investment funds will be based on comparison of actual portfolio return relative to that achieved by the performance targets.

7.0 Investment Structure Management

The endowed funds are currently managed by an outside investment broker. Investment direction is provided by the Finance Department.

8.0 Conflict of Interest

Any employee of the College responsible for the investment activities of the College funds must immediately disclose to the College President any conflict or perceived conflict of interest that could impair his/her ability to render unbiased and objective advice regarding any investment decision. In such cases, the conflict must be fully disclosed on a timely basis and the member must withdraw from any meeting during the discussion and voting on the investment decision.

No person directly or indirectly responsible for the investment activity of the College funds should knowingly permit the person’s interest to conflict with the persons duties and powers in respect to the College funds.

Approval History

<table>
<thead>
<tr>
<th>Approved by President</th>
<th>September 15, 2009</th>
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<tbody>
<tr>
<td>Revision 1</td>
<td>November 4, 2016</td>
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