



Policy Name: Investment Policy	Policy Number: FM002
Original Date of Approval: April 2018	Policy Type: Board
Last Revision Date: December 2020	Review Cycle: Annual
Date of Last Review: December 2020	

1.0 Purpose:

The purpose of this investment policy is to promote good governance of the ESIO's funds. Governance of the investments is required to balance adequate liquidity and purchasing power while preserving capital and achieving returns consistent with prudent investing in accordance with sound investment management practices.

1.1 General Objectives:

Investment returns are maximized based on the level of the risk deemed appropriate by the Board. At the same time, investment returns shall provide for realized income that is reasonable and relatively predictable given the ESIO's operational needs.

This policy does not apply to investments funded by the Edmonton Screen Media Fund (ESMF), as those investments are governed by a separate policy (FM014).

2.0 Procedures

The Audit & Finance Committee will recommend the investment policies and procedures that are appropriate to achieve the investment objectives as determined by the Board.

Specifically, the Committee has the following tasks:

- Recommend the appropriate investment strategies to the Board, including matters such as:
 - Risk tolerance;
 - Performance benchmarks; and
 - Services of an investment advisor.
- Monitor the performance of the investment advisor (if required);
- Review quarterly performance of investments relative to established criteria.

If the services of an investment advisor ("Advisor") are utilized, the Advisor has the following tasks:

- Manage the investments on a prudent basis according to the principles of this policy and subject to any specific direction received from time to time

- Recommend to the Audit & Finance Committee a strategic asset mix for investment within the principles of the policy, based on the forecast of the expected cash requirements of the investments;
- Meet at minimum semi-annually with the Audit & Finance Committee and report on the investment performance, strategy, transactions and compliance with policy and specifically against any performance criteria provided from time to time;
- Provide sufficient information for the ESIO to approve or ratify decisions required by government legislation;
- Report to the CEO and Finance Director monthly in writing regarding investment performance;
- At least on a quarterly basis, confirm in writing, the Advisor's compliance with the provisions of the Policy and its mandate. Inadvertent violations shall be reported immediately to the CEO or the Board of Directors and action shall be taken to remedy the situation.

3.0 Permitted Investments

The ESIO is authorized to invest any funds of the ESIO in such investments as would be appropriate for a prudent investor, with the underlying objective to preserve capital. The ESIO may invest in the following asset categories:

- Cash;
- Demand or term deposits;
- Short-term notes;
- Treasury bills;
- Bankers' acceptances;
- Commercial paper;
- Investment certificates issued by banks, insurance companies or trust companies;
- Bonds and non-convertible debentures;

Investment in other asset categories is permitted with Board approval.
