

TORONTO CONFERENCE INVESTMENT POLICY FOR CONFERENCE FUNDS

This policy refers to the following funds:

1. Conference fund
2. Contingency fund
3. Property maintenance fund

General Guidelines

1. All investments will meet the test of reasonableness, as seen by a prudent investor.
2. There will be no investment in any entity whose operations might reasonably be regarded as contrary to the mission of The United Church of Canada (Statement of Investment Policies and Procedures – SIPP).

Goal

The primary goal is capital preservation balanced against the annual income.

Time Lines

1. The expectation is to have 10% of the investments to be liquid within 90 days.
2. The expectation is to have 20% of the investments to be liquid within 1 year.
3. The balance of funds (70%) will be invested over 5 – 7 years, with at least 10% available for use each year.

Asset Allocation

The investments will be allocated in the following manner:

1. Money Market, Cash, or Cash Equivalents: 0 – 10%
2. Fixed Income: 0 – 75%
3. Equity: 0 – 15%

Eligible Investments

1. Cash, Cash Equivalents, and Money Market Securities
 - Government obligations such as Treasury Bills, Strip Coupons, Debentures, and/or Bonds issued directly or indirectly by the Federal Government or an agency or any of the Provinces or Territories with an appropriate credit rating of AA or higher.
 - Canadian dollar debt obligations of foreign (non Canadian and U.S.) sovereign issuers with an appropriate credit rating, AA or higher
 - Term Notes, Certificates of Deposit, Bankers Acceptances, bonds and strip coupons with an appropriate credit rating,
 - Commercial paper, bonds, debentures, and strip coupons issued of Canadian companies with an appropriate credit rating.
 - Loans to investment dealers (call loans) providing that full collateral value plus applicable margin is held at a banking institution.

2. Long Term Fixed Income Instruments
 - Government obligations (i.e. strip coupons, debentures and/or bonds) issued directly or indirectly by the Federal Government or an agency (Canadian and U.S.) or any of the Provinces or Territories which hold appropriate credit ratings. Interest and principle are to be serviced in Canadian currency.
 - Canadian Chartered Bank securities, deposit receipts, term notes, Certificates of Deposit, Bankers Acceptances, bonds and strip coupons provided they are of investment grade.
 - Corporate bonds or debentures from Canadian corporate issuers where the rating by major rating agencies is investment grade or better.
3. Common Equity
 - Common equity candidates for inclusion in the portfolio will be mostly dividend paying stocks, in order to help meet the income requirements of Toronto Conference.
 - Convertible debentures and preferred shares issued by domestic corporations which are ranked as buy or hold by RBCDS.

Investment Limits

1. The purchase of any securities carrying a credit rating below AA for bonds or A1/R1 for commercial paper is strictly prohibited.
2. Investments in preferred shares will be limited to those carrying a credit rating of P2 or higher with a minimum outstanding float of 3 million shares.
3. Ratings used will be from one or more of the following rating agencies: Canadian Bond Rating Service, Dominion Bond Rating Service, Standard and Poor's Credit Rating Service and Moody's Investor Service.

Quantity Guidelines

1. The cumulative investment of preferred and common shares in any one company shall not exceed 20% of the overall value of the portfolio.
2. The cumulative investment in common equity stocks of any one organization shall not exceed 10% of the overall value of the portfolio.

Policy Review

1. This Investment Policy shall be reviewed annually by the Toronto Conference Executive to ensure that it remains consistent with the overall objectives of the Conference and is in compliance with prudent and conservative investment practices
2. The investment advisers, placement of assets, the brokers and the rates of return will be reviewed annually to ensure the portfolio is meeting the prescribed financial obligations of the Conference.
3. The list of acceptable investments/investors as approved by the policies of The United Church of Canada will be reviewed to ensure compliance by the current Investment Policy of Toronto Conference.

Fees

1. Fees may be paid to an Investment Manager who will advise Toronto Conference on its portfolio.
2. The fees will be determined by the Executive of Toronto Conference.

