

# Investment Policy of City View United Church

## I. Introduction

The Constitution of City View United Church and The Manual of the United Church of Canada state that “The trustees are responsible for holding all congregational property for the congregation as part of the United Church ... The trustees must give the same care and attention to congregational property as a reasonable person would give to their own property.”  
*(The Manual, 2021, page 123)*

## II. Assignment of Responsibilities

In keeping with the provisions of the United Church Manual and the Trusts of Model Deed, the Board of Trustees shall be responsible for holding, investing, and administering all money and property received for the purposes of the Congregation. This shall be done in conjunction and collaboration with the Finance Committee and Treasurer who are charged with receiving and disbursing monies for the capital and current expenses of the Congregation, including the Operating, Building Improvement, Memorial, and Special Purpose/Outreach funds.

## III. General Investment Requirements

“The trustees must ensure congregational funds are properly invested to obtain the best return possible, given the ongoing needs of the congregation to access cash and to preserve capital.”  
*(Congregational Board of Trustees Handbook (April 2021) page 23)*

**A.** Investments made under this policy must be those adopted by a prudent investor and must consider the following: (per the Ontario Trustee Act)

- general economic conditions;
- the possible effect of inflation and deflation on the investment;
- the expected tax consequences of investment decisions or strategies;
- the role that each investment or course of action plays within the trust portfolio;
- the expected total return from income and the appreciation of capital;
- the need for liquidity, regularity of income, and preservation of capital; and
- an asset’s special relationship or special value, if any, to the purposes of the trust or to one or more of the beneficiaries.

**B.** Investment decisions should also take into account and be made in support of the Congregation's Mission Statement, commitment to social justice, and The United Church of Canada policy with respect to corporate social responsibility.

#### **IV. Duties of Trustees**

1. To develop Investment Guidelines and submit these to the City View United Church Council for approval.
2. To review general economic and investment market conditions with a view to recommending, when appropriate, changes in investment guidelines.
3. To recommend, as part of the Investment Guidelines, an asset class allocation for the portfolio designed to provide a reasonable rate of return and avoid undue risk of loss or impairment.
4. To exercise proxy voting in a manner consistent with investment performance objectives.
5. To present to Council and the Annual Congregational meeting after the close of each calendar year a report for the year setting out:
  - The cost and market value of all securities;
  - The asset distribution of all investments;
  - The investment performance of the year;
  - A statement of revenues and disbursements for the current year; and,
  - The funds available to the Drew Shouldice Bursary Board available for Bursary award(s).

#### **V. Protection from Liability**

The Congregation of City View United Church shall indemnify and save harmless the Trustees against and from any and all losses, liability, claims, and demands by reason of their acting as Trustees hereunder, and for all reasonable legal expenses, except in respect of liability, claims, and demands arising out of their own willful misconduct or gross negligence. In the event of any claim or demand, the Head Trustee shall notify all other Trustees and the City View United Church Council. The Trustees shall provide to the City View United Church Council any necessary assistance, information, and cooperation to investigate, to respond to, or to defend any claim or action. No Trustee shall make any public statement, provide information to a claimant, or settle any claim or action without prior notice to the City View United Church Council and all other Trustees.

#### **VI. Investment Guidelines**

##### **A. General**

The intent of these guidelines is to be closely aligned with the policy of the United Church of Canada Investment Policy and the Ontario Securities Commission (OSC) regulations. City View United Church shall maintain an investment account that is separate from its operating account. Monies in this account may

derive from a variety of sources and be amalgamated for investment purposes. The church bookkeeper and treasurer shall maintain separate accounts for these invested funds. Investments will be managed in accordance with the requirements set out in Section III. In selecting, retaining, and disposing of investments, the Board of Trustees shall consider diversification, asset allocation, and performance of individual securities.

## **B. Diversification**

Diversification will be considered an important aspect of the management of investments. The Trustees shall attempt to achieve reasonable diversification with respect to asset classes, market sectors, term of interest-bearing securities, and risk associated with investments.

## **C. Eligible Investment Classes**

The portfolio may be invested in any of the following asset categories, subject to qualitative and quantitative constraints as noted below:

1. **Equities:** Common or preferred shares of publicly traded Corporations.
2. **Fixed Income:** Bonds, debentures, Guaranteed Investment Certificates (GICs) or other debt instruments of all Canadian government agencies (including Provinces and Municipalities) or corporations.
3. **Cash:** Cash, or money market securities issued by governments or corporations.
4. **Mutual Funds or Exchange Traded Funds (ETFs)** whose underlying assets are based on any combination of 1, 2, or 3.

## **D. Asset Class Allocation**

The asset class weighting will be targeted to be within the ranges and restrictions as follows:

### **Equities: 0% to 40%.**

- To include common or preferred shares of publicly traded corporations and/or mutual funds, ETFs or other investment products based on such corporate shares. No more than 20% of the equity portfolio will be invested in any one company.

### **Fixed Income: Up to 100%.**

- No more than the Canada Deposit Insurance Corporation (CDIC) coverage limit shall be invested in the financial products of a single provider. (In 2021, the limit is \$100,000).
- No more than 20% of the fixed income part of the portfolio at the time of purchase shall be invested in any one company. No bonds will be included in the portfolio with a credit rating by a major Canadian rating agency below BBB at purchase.

**Cash: Up to 100%.**

- All Cash Deposits shall be made in accordance with the Canada Deposit Insurance Corporation (CDIC) coverage limits.

**E. Purchase and Sale of Securities**

The purchase or sale of securities requires the authorization of at least two persons, including the Chair or a member of the Board of Trustees and the Treasurer or Chair of the Finance and Administration Committee of Council, provided that such actions are consistent with these guidelines. One of the signing officers will then be authorized to contact the bank to make any required change. As well, the Board of Trustees may seek ratification of investment proposals by such other Courts of the Church as may be deemed advisable by the Board of Trustees.

**F. Special Purpose Funds**

Included in the investment account are two funds, the Wilda MacLachlan Fund and the Drew Shouldice Bursary Fund, that require the preservation of capital and/or which restrict the use of the income earned by the Funds. The Board of Trustees shall ensure that investment decisions respect the requirements of these and any other special purpose funds that may be established in the future.

**G. Performance**

Performance will be assessed by comparison against quantitative benchmarks (e.g., market indexes) and through evaluation of qualitative factors (such as adherence to UCC and CVUC policies and guidelines), and by measuring costs associated with managing the security.

**VII. Sunset Provision**

This Policy shall be reviewed jointly by Trustees and Council at no longer than 5-year intervals.