



Policy Title: INVESTMENT		Policy Section: II Executive Limitations		Policy Number: II-09
Approved By: Board of Directors	Date Approved: Nov 30, 2009	Date Reviewed/ Revised: Nov 29, 2012 Dec 3, 2018 Nov 27, 2014 Dec 1, 2020 Nov 28, 2016 Dec 2, 2022 Apr 8, 2026		Board Chair's Signature:

PURPOSE

To outline the Board's executive boundaries for the Registrar and CEO and risk tolerances regarding the CMLTO investment objectives and the management of its investments. This policy is designed to provide both clarity and guidance in the investment decision making in the context of CMLTO's Ends (Critical Outcomes) Policies, financial resources, and defined risk tolerances.

BACKGROUND

The objectives of the Board's Investment Executive Limitations Policy are to ensure the prudent management and stewardship of the financial resources of CMLTO. This includes reasonable safeguarding of CMLTO's invested assets and reasonable expectations for growth. The capital reserves, held within CMLTO's investments, exist to ensure CMLTO's long-term operating stability and to provide a source of internal funds for organizational priorities such as capital improvements, strategic initiatives, and addressing emerging regulatory matters.

Investment Objectives and Risk Tolerances

The CMLTO Board's objectives and risk tolerances include:

1. Preservation and protection of principle through investment and guaranteed instruments.
2. Maintenance of appropriate liquidity.
3. Reasonable growth of the value of the investments based on prudent investments.

POLICY

1.0 Investment Funds Management

Accordingly, the Registrar and CEO will not:

- 1.1 Manage the CMLTO investments without the services of Investment Advisor(s) to provide expertise in the operational investment approach and investment portfolio.



- 1.2 Develop and update the investment approach without addressing the responsibilities of various parties, the allowable and prohibited investments, risk controls and monitoring and evaluation procedures.

2.0 Investment Parameters

In determining what are allowable and prohibited investments, the Registrar and CEO will not operate without:

- 2.1 Ensuring all investments are aligned with CMLTO's purpose, vision, and Ends Policies.
- 2.2 Striving to ensure that all investments are aligned with CMLTO's values, are socially responsible, and aligned with the Board's direction regarding equity, diversity, inclusion and justice.
- 2.3 Meeting the Board's expectations to meet reasonable liquidity, achieve regular income, and ensure preservation and appreciation of capital (except where the Board has approved the use of invested capital to cover deficit budgets and/or capital or strategic investments).
- 2.4 Reducing the organization's risk by not exposing the organization to undue financial or investment risk because of excessive concentration of investments in a single asset class, issuer, or sector, or within a maturity schedule that is not appropriately laddered to ensure liquidity.
- 2.5 Investing funds that are not immediately required to meet operational obligations including cash flow.
- 2.6 Investing capital in funds that have a demonstrated track record of achieving a competitive return on investment.
- 2.7 Assessing the effect of inflation and deflation on the investment.

3.0 Borrowing for Investment Purposes

- 3.1 The Registrar and CEO will not borrow solely for investment purposes.

4.0 Evaluation of Results

Further, the Registrar and CEO will not operate without:

- 4.1 Monitoring the Investment Advisor(s), and the investment to ensure compliance with this Board Investment Policy and the operational investment approach.
- 4.2 Monitoring the adequacy of the performance of the Investment Advisor(s).

5.0 Reporting

Further, the Registrar and CEO will not operate without:

- 5.1 Reporting annually to the Board on investment results and compliance with investment executive limitations.
- 5.2 Reporting to the Board, at any time, if the investment risks substantially change due to the market or other conditions.



POLICY DEFINITIONS

Investment Advisor

“Investment Advisor” means a licensed professional and/or firm that provides personalized investment advice, manages portfolios, and develops financial strategies to help clients reach financial goals.