

ATTACHMENT 2



Investment Policy Update: Highlights of changes to investment parameters.

(comparison of old vs. updated policy)

Short-term portfolio	Current Policy		Updated Policy		Comments
Sector / Securities	Portfolio Limit %	Individual Limit %	Portfolio Limit %	Individual Limit %	
Provincial (R1-Low)	20	5	35	10	Provincial bonds offer attractive yields and are guaranteed by the issuing province. The change in limits potentially enhance returns.
BANKS					
Schedule I Banks (R1-Low)	20	5	35	15	Change allows for greater investment opportunities and ability to adjust to changing capital market conditions. Canadian banks are well capitalized and liquid.
OTHER					
Credit Unions and Loan/Trust Corporations	30	5	30	10	Change allows for greater investment opportunities to maximize yields
Commercial Paper/ Corporate Debt	N/A	N/A	20	5	New eligible investment option. Investments must meet the minimum short term credit rating of R1 Mid.

Long-term portfolio	Current Policy		Updated Policy		Comments
Sector / Securities	Portfolio Limit %	Individual Limit %	Portfolio Limit %	Individual Limit %	
FEDERAL					
Government of Canada -Fed Guarantees	50	25	50	35	Government of Canada bonds are the safest and most liquid. The change provides ability to respond to market environment and potential to maximize returns.
PROVINCIAL (AA)	70	35	75	40	Provincial bonds are safe and liquid. Changes allow for greater investment opportunities to enhance returns and better align with neighbouring municipalities.
(A)	35	15	45	25	
MUNICIPALS					
Municipals and School Boards (AA)	25	5	35	10	Changes allow for greater investment options to maximize yields and adjust to changing market conditions.
BANKS					
Schedule I Banks	50	20	50	25	Amendments to O Reg 438/97 minimum credit rating for banks and corporate bonds from AA(L) to A-. Changes allow for greater investment options, ability to adjust to market conditions, and opportunities to enhance returns.
Schedule II Banks	15	5	15	10	