

TITLE INVESTMENTS	POLICY # CF-07
	SUBCLASSIFICATION N/A
PARENT BOARD PRINCIPLE / POLICY SUITE Corporate Accountability and Financial Stewardship	APPROVED June 29, 2010
APPROVING AUTHORITY Alberta Health Services Board	LAST UPDATE N/A
POLICY SPONSOR Finance (Treasury)	NEXT REVIEW June 29, 2013

If you have any questions or comments regarding the information in this policy, please contact the Corporate Policy Department at corporatpolicy@albertahealthservices.ca.

PURPOSE

- To supplement the requirements of Alberta Health Services (“AHS”) Investment Bylaw (“the Bylaw”).

POLICY STATEMENT

AHS has a responsibility to ensure its funds are invested in a way that promotes the short and long-term sustainability of the organization’s operations. The overall investment strategy for AHS, including an acceptable level of risk and return, shall be determined by the AHS Board (“the Board”) and implemented by a designated Investment Manager.

The Investment Manager shall ensure investment decisions made on behalf of AHS are in accordance with applicable legislation, AHS bylaws and policies, and AHS' strategic objectives. The Investment Manager shall avoid any real or perceived conflicts of interest when making investments on behalf of AHS. Where conflicts arise between the Bylaw and this policy, the Bylaw shall prevail.

APPLICABILITY

AHS employees, members of the medical, dental, podiatry, and midwifery staffs, students, volunteers, and other persons acting on behalf of AHS, including the Investment Manager, shall comply with this policy.

POLICY ELEMENTS

1. Responsibilities

1.1 The Board shall designate an Investment Manager to invest funds on behalf of AHS.

1.2 AHS’ Chief Financial Officer (or designate) shall:

- a) review the investment fund’s performance monthly and quarterly;



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- b) review the quarterly investment reports prepared for the Audit and Finance Committee by the Investment Manager;
- c) review, on an annual basis, the Investment Manager's policies and procedures as they apply to AHS; and
- d) conduct other duties as outlined in the Bylaw.

1.3 The Investment Manager shall, at minimum:

- a) execute investment transactions;
- b) maintain ongoing investment research and provide any recommendations for changes to this policy;
- c) immediately report regulatory infractions (e.g. lawsuits brought by securities commissions, or disciplinary actions against traders or advisors);
- d) immediately notify the AHS Treasury department of departures of key portfolio managers, advisors, etc.;
- e) report investment results to the AHS Treasury department as set out in the Bylaw and this policy; and
- f) conduct other duties as outlined in the Bylaw and Investment Management Agreement.

2. Non-Compliance

Where the Investment Manager cannot comply with AHS bylaws, policies, or procedures, the Investment Manager shall immediately advise the AHS Treasury department. The Investment Manager shall detail the reason for non-compliance and recommend a course of action and timeframe to address non-compliance.

3. Confidentiality

The Investment Manager shall ensure that all AHS financial information, documentation, and personally identifiable information be kept confidential in accordance with AHS' Bylaws, Policies, and procedures, and the *Freedom of Information and Protection of Privacy Act* (Alberta), the *Health Information Act* (Alberta), and other applicable legislation.

4. Portfolios and Performance

- 4.1 Funds shall not be invested directly in prohibited industries (i.e. tobacco, alcohol, asbestos, pharmaceutical or medical equipment) that have been identified in accordance with the Standard Industrial Classification system.
- 4.2 The priority categories for investments made on behalf of AHS shall be the preservation of capital, liquidity, and return on investment, as set out in the Bylaw.
- 4.3 The total asset mix of all three portfolios shall comply with the requirements set out in the Bylaw.
- 4.4 Funds should be categorized and segmented into restricted non-government funds, restricted government funds and unrestricted funds as set out in the Bylaw.

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4.5 The portfolio performance benchmarks and target asset mixes are:

	Short Term < 1 Year Money Market	Medium Term 1 – 5 Year Fixed Income	Long Term 5+ Years Balanced Growth
Unrestricted	\$ <i>(Target 80%)</i>	\$ <i>(Target 20%)</i>	\$ <i>(As required)</i>
Restricted Non-Government	\$ <i>(As required)</i>	\$ <i>(As required)</i>	\$ <i>(As required)</i>
Restricted Government	\$ <i>(As required)</i>	\$ <i>(As required)</i>	\$ <i>(As required)</i>
Total	\$	\$	\$
Performance Benchmarks	91 Day T-Bill	DEX Short Bond Index	90% DEX Universe Bond Index 5% TSX Total Return Index 5% MSCI World
Target Asset Mixes:			
Cash and Cash Equivalents	80-100%	0-20%	0-10%
Fixed Income	0-20%	80-100%	70-90%
Equities	0%	0%	0-15%

4.6 The derived mix for restricted funds shall be reported quarterly to the Audit and Finance Committee.

4.7 Pooled funds whose underlying securities meet the criteria as set out in the Bylaw (specifically for funds required to meet liabilities and operating requirements during the next 365 days) shall be eligible for consideration by the Investment Manager.

DEFINITIONS

Investment Manager means the company, organization, or AHS representative to whom the Board has given the responsibility to manage AHS' investment portfolio.

Restricted Government Funds means funds designated for specific expenditures by Federal and Provincial government entities.

Restricted Non-Government Funds means funds (i.e. donations, endowments) designated for specific expenditures by non-government entities.

Unrestricted Funds means funds not required for specific expenditures.

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REFERENCES

- AHS Bylaws and Policies:
 - Investment Bylaw
 - Conflict of Interest Bylaw
 - Protection and Privacy of Health and Personal Information Policy (#IM-05)
- *Regional Health Authorities Act* (Alberta)
- *Regional Health Authorities Regulation 15/1995* (Alberta)
- *Freedom of Information and Protection of Privacy Act* (Alberta)
- *Securities Act* (Alberta)

REVISIONS

None