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Item No. 13.1.1
Audit & Finance Standing Committee
May 13, 2026

TO: Chair and Members of Audit & Finance Standing Committee

SUBMITTED BY: Brad Anguish, A/Chief Administrative Officer

DATE: March 30, 2026

SUBJECT: **Amendments to the Investment Policy**

ORIGIN

This report originates from the Treasury team's annual review of the Halifax Regional Municipality's Investment Policy, with the objective of improving investment performance while maintaining capital preservation, liquidity, and prudent risk management.

EXECUTIVE SUMMARY

The purpose of this report is to present the results of the annual review of the Halifax Regional Municipality's Investment Policy and to recommend amendments aligned with the policy's core objectives.

As part of this review, staff recommend the inclusion of additional investment products issued by Schedule I Canadian chartered banks as eligible investments. These instruments provide 100 per cent principal protection at maturity while offering the potential for enhanced returns through fixed coupon income, equity index participation, or interest rate-linked features.

In addition, staff recommend increasing the overall allocation limit to financial institutions from 60 per cent to 65 per cent and increasing the allowable exposure to an individual Schedule I financial institution from 20 per cent to 25 per cent as well as removing the maximum 20% for the Fixed investments over one year and the examples listed in the Policy. These changes are intended to improve portfolio liquidity, better align investments with forecast cash requirements, and enhance interest income while maintaining prudent risk management.

The proposed amendments do not result in any incremental budgetary impact beyond existing investment allocations.

RECOMMENDATION ON PAGE 2

RECOMMENDATION

It is recommended that the Audit and Finance Standing Committee recommend that Halifax Regional Council:

1. Adopt the amendments to the *Investment Policy* as set out in Attachment B of this report; and
2. direct the Chief Administrative Officer to direct staff to submit the amended Investment Policy to the Minister of Municipal Affairs for approval in accordance with Subsection 1221(1) of the *Halifax Regional Municipality Charter*.

BACKGROUND

The Halifax Regional Municipality Investment Policy (the Policy) currently limits eligible investments to traditional fixed-income securities and deposit instruments and is guided by the following core objectives:

- Preservation of capital;
- Maintenance of sufficient liquidity; and
- Achievement of a competitive rate of return.

In the current interest rate and market environment, structured deposit products offered by Schedule I Canadian chartered banks provide an opportunity to enhance returns while maintaining full principal protection if held to maturity. Additionally, these products also allow for improved duration matching with reserve fund requirements and anticipated future expenditures. If necessary certain principal protected instruments do allow for redemption prior to maturity at fair value, but HRM Treasury staff would expect products to be held to maturity.

To further improve liquidity and take advantage of competitive rates available through high-interest savings accounts, staff are recommending an increase in allowable exposure limits to individual financial institutions and to the financial institution sector overall.

The Policy was adopted by Council April 23, 2002 and was approved by the Minister of Service Nova Scotia and Municipal Relations on May 14, 2002. This Ministerial position was later reorganized and now has the title the Minister of Municipal Affairs (the Minister).

Amendments to the Policy, as recommended by the Committee, were approved by Council and the Minister in 2005, 2007, 2008, 2010, 2017, 2019, 2022, 2023, and 2024. Reviews of the Policy by the Committee in 2012, 2014, 2015, 2020 and 2021 did not result in any recommended changes.

DISCUSSION

The primary focus of this report is to address the inclusion of new eligible investment products for HRM as well as an increase to the maximum percentage allowed for an individual Schedule I Financial Institution from 20% to 25% and increasing the overall limit to financial institutions from either 50% or 60% to 65%.

New Investments

Staff recommend the addition of Principal-Protected Notes which includes Fixed Coupon Notes, Market-Linked Notes, Market-Linked Guaranteed Investment Certificates (GICs), and Range Accrual Deposit Notes to the list of eligible investments in Schedule B of the Policy. These products offer:

- Low Risk: Principal amount is backed by the Bank;

- Guarantee 100 per cent return of principal at maturity, consistent with the Municipality's capital preservation objective;
- Provide the potential for incremental returns beyond traditional GICs through equity-linked or interest rate-linked features;
- Support portfolio diversification across varying market environments; and
- Match Reserves duration.

To qualify as eligible investments, these instruments must be issued by Schedule I Canadian chartered banks that meet HRM's credit standards and must provide full principal protection at maturity. Redemption prior to maturity on certain instruments may be permitted at fair market value, but staff would anticipate holding for entire duration of the investment.

Increase in Financial Institutions limits and overall individual exposure

To enhance liquidity and increase interest income potential, staff recommend increasing overall exposure to financial institutions from either 50% or 60% to 65%. In addition, staff recommend increasing individual exposure limits from 20% to 25% for Schedule I institutions. Lastly, staff is recommending removing the maximum 20% allowable percentage for the fixed (over one year) investments and an accompanying housekeeping amendment to remove the examples of listed for the one year investments "Bond etc".

These changes provide additional flexibility in managing cash balances and positioning the portfolio to respond to rising expenditures while maintaining prudent diversification and risk controls as well as increasing potential returns.

FINANCIAL IMPLICATIONS

The proposed amendments are expected to enhance portfolio returns while maintaining robust risk controls and full capital protection when investments are held to maturity. There is no incremental budgetary impact beyond existing investment allocations. Enhanced investment flexibility and improved liquidity management may result in increased interest income.

RISK CONSIDERATION

No risk considerations were identified

COMMUNITY ENGAGEMENT

No community engagement is required for this report

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

ALTERNATIVES

The Audit & Finance Standing Committee could refuse to recommend the proposed amendments to Regional Council.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, S.N.S. 2008, c. 39, as follows:

121 (1) Funds in a sinking fund, capital reserve fund, utility depreciation fund or other fund of the Municipality must be

- (a) deposited in an interest-bearing account at a bank doing business in the Province;
- (b) invested pursuant to an investment policy adopted by the Council and approved by the Minister; or
- (c) invested in investments in which a trustee is permitted to invest pursuant to the Trustee Act.

(2) Income arising from the investment of a fund is part of that fund unless the Council otherwise provides.

(3) The Council may pledge any investments to the credit of the capital reserve fund as collateral security for a borrowing for a capital purpose.

Administrative Order One, the *Procedures of the Council Administrative Order*, Schedule 2, Audit and Finance Standing Committee Terms of Reference, as follows:

4. The Audit and Finance Standing Committee shall:

- (c) review annually with Finance management and report to the Council on the appropriateness of financial accounting policies, disclosures and forecasts;

ATTACHMENTS

Attachment A - Showing Proposed Changes to the Investment Policy
Attachment B – Amending Policy

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

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Attachment A
(Showing proposed Changes to the Investment Policy)

Investment Policy

Approved by:

Regional Council
October 1, 2024

Minister of Municipal Affairs
May 7, 2025

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A. Policy Committee

The Audit and Finance Standing Committee acts as the Policy Committee with the following mandate: establishing credit quality restrictions, recommending an appropriate set of guidelines, practices and procedures to guide the investment operations of the Halifax Regional Municipality (HRM), and monitoring same on an ongoing basis through periodic reports to Regional Council or any other body as directed by Regional Council.

B. Introduction

The Investment Policy of the Halifax Regional Municipality shall govern the investment of trust funds, reserve funds and surplus cash balances. Investments of the Halifax Regional Municipality Pension Plan are governed under a separate investment policy and are not addressed in this document. This Policy does not apply to loans permitted under the Municipal Government Act. Exceptions to this Policy shall be permitted from time to time upon approval by Regional Council and the Minister of Municipal Affairs.

The Investment Policy seeks to preserve and grow Halifax Regional Municipality revenues to fund both Operating and Capital Expenditures while adhering to strict legal requirements. Fundamental objectives of the Policy are built upon both preservation of capital and cash flow liquidity commensurate with HRM's expenditure requirements. For greater clarity, the vast majority of HRM investments shall be short term in nature as they exist only to provide a funding source for Operating and Capital Expenditures.

For the purpose of this policy, trust funds are funds which result from trust agreements through which the Municipality is accountable to third parties for the use and disposition of trust assets. In general these trusts are perpetual in nature with the majority of the income derived from the trust assets being used for the purpose of the trust and the principal being preserved.

Reserve funds are special purpose funds established through Provincial regulation or by motion of the Halifax Regional Municipality Council. Cash requirements are dependent on the purpose of the particular reserve fund. These requirements may be such that only a partial amount of a reserve may be expended in a given year which could allow for an investment time horizon spanning several years.

Surplus cash balances refer to the operating fund and capital fund. The operating fund pertains to the general operations of the Halifax Regional Municipality and the direct provision of services to its citizens. The investment time horizon for this fund would generally be short term in nature with some cash requirements daily while others are on bi-weekly and monthly cycles. The capital fund provides for expenditures on infrastructure and capital assets. Cash

requirements would be driven by project expenditures that could span more than one year. Permanent funding of these project expenditures by cost sharing from other levels of government, debt, etc. may also be received over a number of years creating a requirement for bridge financing. This temporary financing is usually provided by operating fund cash flows and results in reduced liquidity and investment income for the operating fund.

Schedule A attached provides sector weights and investment quality restrictions for the portfolios anticipated above as well as for the total of all funds invested.

The Investment Policy of the Halifax Regional Municipality has been established on the basis of certain objectives which shall be adhered to in the investment of funds by or on behalf of the Halifax Regional Municipality.

The Policy Committee shall review the administration of the Investment Policy by the Halifax Regional Municipality staff responsible for on-going investment activities, as designated by the Treasurer. Such review shall focus on compliance with the specific investment objectives of the Policy and continued relevance of the Investment Policy itself. The Treasurer shall submit reports to Regional Council or the body designated by Regional Council not less frequently than quarterly.

The Investment Policy shall be reviewed by the Policy Committee annually. Each annual review shall include the continued relevance of the Policy objectives as well as the strategies employed to meet the objectives in the context of evolving market conditions, experience in applying the Policy to actual decision making as well as the history of the Policy. In addition, staff periodically consult with other Municipalities with similar investment activities and bring to the Policy Committee best practices of these other Municipalities for consideration for inclusion in the HRM Investment Policy.

C. Investment Objectives

The three objectives of the Investment Policy, stated in order of priority of importance, are as follows:

1. Preservation of Capital
2. Liquidity
3. Competitive Returns on Investments

To accomplish these objectives a number of strategies will be used. These strategies include, but are not limited to, portfolio diversification, regular review of performance and various risk management practices such as limitations on the percentage of the portfolio that can be invested in any one sector or entity as shown in the attached Sector Weight Schedules.

The Policy Committee shall review the Investment Policy and monitor the administration of the Investment Policy. Policy amendments, as necessary, shall be presented to Regional Council upon recommendation of the Chief Administrative Officer. The Policy Committee shall approve investment asset mix parameters, establish credit quality restrictions, and recommend an appropriate set of guidelines, practices and procedures for the investment of funds by the Halifax Regional Municipality.

D. Investment Policy

The Treasurer shall be responsible for administering the investment activities of the Halifax Regional Municipality in accordance with the Investment Policy. The Treasurer shall recommend to the Policy Committee investment asset mix parameters and credit quality restrictions and shall develop and maintain appropriate procedures and controls for recording, reporting, and monitoring investments to ensure that investments are made in accordance with the Investment Policy. The Treasurer shall monitor investment performance and prepare reports not less frequently than quarterly for the Policy Committee and Regional Council or the body designated by Regional Council on performance and adherence to the Investment Policy.

Investments by or on behalf of the Halifax Regional Municipality shall be made in accordance with the objectives as discussed below.

The Sector Weight Schedules attached to this Policy should be used and interpreted in the context of the objectives of the Policy.

1. Preservation of Capital

Investment of public funds by or on behalf of the Halifax Regional Municipality shall be made in accordance with the objective of preserving and protecting the principal amount. Accordingly,

all investment opportunities shall be evaluated on the basis of risk of loss or diminution of capital. Investments which are determined to be inconsistent with the objective of preserving and protecting the principal amount are prohibited.

In assessing the degree of risk of an investment decision, greater relevant importance shall be given to the objective of preservation of capital than to the extent to which an investment provides for maintenance of necessary liquidity or a competitive return.

Investments which have been subject to a downgrade in their credit rating below the minimum level required by the Policy shall be converted to cash within a reasonable period of time, given prevailing market conditions.

2. Liquidity

Investment of public funds by or on behalf of the Halifax Regional Municipality shall be made in accordance with the objective of maintaining liquidity necessary in order to meet fluctuations in the cash flow requirements of the Halifax Regional Municipality.

The type and term of investments shall be determined by reviewing a forecast of the cash flow requirements of the Halifax Regional Municipality. The forecast of cash flow requirements will determine the proper proportion of investments that have terms to maturity which match the cash flow requirements of the Halifax Regional Municipality.

Approach: Staff of the Halifax Regional Municipality shall develop, not less frequently than monthly, forecasts of cash flow requirements based on revenue and expense projections.

Surplus and/or reserve funds not required for immediate or near-term expenses can be classified as follows:

- minimum cash balances
- temporary surpluses from operating funds
- longer term cash surpluses from reserve and trust funds

Investments: Efficient cash management results from a consideration of liquidity requirements and asset distribution within the parameters of preservation of capital, attainment of maximum return on investment, and diversification.

Funds not required for a specific short-term need can be invested in longer term securities; here, the most important consideration is the expectation of future interest rates and a reliable forecast of the timing of the need for these funds.

It is recognized that the Liquidity Objective may be satisfied by the sale of investments to selectively meet cash requirements as long as the sale does not result in a loss of capital.

3. Competitive Return on Investments

Investments by or on behalf of the Halifax Regional Municipality shall be made in accordance with the objective of obtaining a competitive return on investments and weighing investment

alternatives within the constraints of the policy objectives and subject to regular performance review. In evaluating the return on investments, performance of investments shall be measured against the average yield of the three-month Canadian T-bill over the reporting period as agreed by the Policy Committee with an allowance for average fees for this asset class.

An investment program can be implemented through in-house management where individual investments are placed by Halifax Regional Municipality staff or through the use of an external pooled fund vehicle whereby active management is delegated to an outside service provider. A combination of the above is also allowable.

In the context of in-house management competitive return also implies a bidding process for each investment to ensure that the best return available at a given time is selected under the constraints of Objectives 1 to 3.

In the context of the use of external management (i.e. pooled fund), competitive return implies the selection of a service provider based on historical performance, fee structure, stability of the organization, ability to satisfy the Investment Objectives and other aspects of the Investment Policy.

For a combined approach an optimal choice would be made based on the investment options available under the constraints of the Investment Policy.

E. Investment Strategies

1. Diversification of Investment Portfolio

Investment of public funds by or on behalf of the Halifax Regional Municipality shall be made in accordance with the objective of diversification of the investment portfolio in order to minimize risk and achieve optimal balance of risk and return.

The allocation and limitation of investments will be determined in accordance with the objective of diversification, using the following inter-related criteria:

- liquidity of investment
- credit rating of issuer
- maximum allocation by sector class (e.g. federal vs. provincial vs. municipal government issue / private sector)
- duration of investment (interest rate risk)

Foreign currency investments shall only be made to match foreign currency requirements to meet obligations payable in foreign currencies from time to time.

On the advice of the Treasurer, the Chief Administrative Officer shall recommend to Regional Council and or any body designated by Regional Council any changes to asset mix and the

minimum credit rating criteria applicable to each investment type, class, and sector. Schedule A contains recommended sector weights and minimum credit rating criteria for investments by the Halifax Regional Municipality. Schedule B contains a list of categories of investments in which the Halifax Regional Municipality may invest. Schedule C contains a list of entities in which the Halifax Regional Municipality may invest. This list may be amended on the recommendation of the Treasurer and the concurrence of the Policy Committee as long as any additions meet the credit quality restrictions of Schedule A.

HRM staff shall select investments based on the above criteria which shall be reviewed by the Policy Committee not less frequently than semi-annually.

Diversification involves the allocation of funds among various counterparties. There is an inherent cost associated with the movement of funds including wire fees and additional administrative overhead. To minimize this administrative overhead and cost while maintaining the diversification objective, the portfolio will be rebalanced semi-annually or at the discretion of the Treasurer or their delegate. Funds that are expected to be expended for operations prior to the next portfolio rebalance will be excluded from the calculation for the purpose of rebalancing and will be invested in an approved instrument that provides appropriate liquidity while maximizing the rate of return.

2. Regular Review of Performance

In order that a concise overview of the performance of investments may be gleaned by all stakeholders, all segments and the total investment portfolio shall operate within a sound system of regular measurement, reporting, review, and evaluation.

Performance of the portfolio shall be measured against appropriate external benchmarks as agreed to by the Policy Committee as well as the objectives of the Investment Policy taking into consideration the priority of each objective.

3. Risk Management Approach

As many of the aspects of the Investment Policy seek to address risk in its various forms, decisions that implement the Investment Policy must also be based on managing and balancing risks. Typical investment risks that can be managed are credit risk, liquidity risk and interest rate or market risk. It is also recognized that active management of risks does not guarantee particular outcomes.

There are also financial risks that are beyond the scope of this Investment Policy. For example, while Canadian Monetary Policy seeks a stable long term inflation rate of 2% which usually implies a short term interest rate structure above this inflation rate, there may be periods of time when interest rates may persist below the actual and desired rate of inflation. As a result the maintenance of a rate of return above the rate of inflation, although highly desirable, may not always be available given the constraints of the Investment Policy.

F. Valuation of Investments

Investments in publicly traded securities shall be recorded, by the custodian, on a mark to market basis and shall be reported to the Treasurer not less frequently than monthly.

Investment in pooled funds comprising publicly traded securities shall be valued according to the unit values published at least weekly by the pooled fund manager.

If a market valuation of the investment is not readily available, then a fair value shall be determined by the Treasurer in accordance with generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, as published in the Handbook of the Canadian Institute of Chartered Accountants, or any successor publication. For each such non-traded investment, an estimate of fair value shall be supplied by the custodian no less frequently than monthly. In all cases, the methodology should be applied consistently over time.

Any Custodian acting on behalf of the Halifax Regional Municipality shall record the investments held by the Halifax Regional Municipality. The Custodian shall also record and receive any income from these investments as well as perform those other duties typically associated with a professional custodian.

G. Conflict of Interest

A conflict of interest occurs when any interested person may benefit materially from knowledge of, participation in, or by virtue of an investment decision.

An "interested person" includes:

- any employee of the Halifax Regional Municipality who is managing in-house portfolios or is involved in the investment of funds by the Halifax Regional Municipality
- any member of the Policy Committee, and
- any person related to any of the foregoing

Should a conflict of interest occur, the person who has a conflict of interest or any person who becomes aware of a conflict of interest situation, shall immediately disclose the conflict to the Treasurer. Any such party shall abstain from decision making with respect to the area of conflict, and a written record of the conflict shall be maintained by the Treasurer.

Interested persons involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

The Code of Ethics and Standards of Professional Conduct adopted by the Chartered Financial Analysts (CFA) Institute shall be expected to apply to external investment managers.

SCHEDULE A

Sector Weights – Total Portfolio

	Maximum % or \$ of Portfolio Per Issuer	Maximum Allowable % of Portfolio Per Category	Minimum Credit Rating Required*
<u>CASH & EQUIVALENTS</u> (Treasury Bills, Banker's Acceptance, etc. under one year)		100%	
Federal Government & its Guarantees	100%	100%	N/A
Provincial Governments & their Guarantees	25%***	100%	R-1 Mid
Municipal Governments & their Guarantees	10%	25%	R-1 Mid
Schedule 1 Financial Institutions & their Guarantees	20% 25% 15%	60% 65% ** 60% 65% **	R-1 High R-1 Mid
<u>FIXED</u> (Bonds, etc. over one year)		20%	
Federal Government & its Guarantees	100%	100%	N/A
Provincial Governments & their Guarantees	25%***	100%	A
Municipal Governments & their Guarantees	10%	25%	AA
Schedule 1 Financial Institutions (1-5years)	20% 25%	50% 65%**	AA

The Maximum % or \$ of Portfolio Per Issuer and Maximum % of Portfolio Per Category refer to maximums at the time of placing an investment.

Investments in this Schedule are subject to the terms and conditions of this Investment Policy.

Investments denominated in foreign currency shall be limited to foreign currency requirements.

Total Portfolio refers to all invested funds prior to allocation to individual Funds. Risk exposure, through Maximum % or \$ of Portfolio Per Issuer, is managed at the Total Portfolio level.

* Rating agency as determined by the Audit and Finance Standing Committee from time to time.

** The Total Maximum Allowable for Schedule 1 Financial Institutions and their Guarantees and Corporations in total shall not exceed ~~50%~~65%.

*** The Total Maximum Allowable exposure for individual Provinces and their Guarantees shall not exceed 25%.

SCHEDULE B

Eligible List of Investments

Investments by or on behalf of the Halifax Regional Municipality shall be made in accordance with the Investment Policy. The Halifax Regional Municipality may invest in the following asset categories:

- Banker's Acceptances
- Bearer Deposit Notes
- Canadian Treasury Bills
- ~~Commercial Paper~~
- Municipal Promissory Notes
- Bank Subsidiary Paper
- Provincial Treasury Bills
- Term Deposits
- Guaranteed Investment Certificates
- CMHC Mortgage Backed Securities
- Federal, Provincial, Municipal Bonds and Debentures
- ~~Corporate Bonds and Debentures~~
- Principal Protected Notes issued by Schedule I Financial Institutions, including Market-Linked Notes, Market-Linked Guaranteed Investment Certificates, Fixed Coupon Notes, and Range Accrual Deposit Notes

Any obligations unconditionally guaranteed by the federal government of Canada

Any obligations unconditionally guaranteed by a provincial government of Canada

SCHEDULE C

Eligible List of Counterparties (Investment Entities)

Investments by or on behalf of the Halifax Regional Municipality shall be made in accordance with the Investment Policy. The Halifax Regional Municipality may invest in the following entities:

The Government of Canada and its Guarantees:	
Federal Government	Business Development Bank
Canada Mortgage and Housing Corporation	Canadian Wheat Board
Export Development Canada	Farm Credit Corporation

Provincial Governments and their Guarantees:	
Province of Alberta and its Guarantees	Province of Ontario and its Guarantees
Province of British Columbia and its Guarantees	Province of Quebec and its Guarantees
Province of Manitoba and its Guarantees	Province of Saskatchewan and its Guarantees
Province of New Brunswick and its Guarantees	Province of Nova Scotia and its Guarantees

Municipal Governments and their Guarantees:
Municipality of Calgary and its Guarantees

Financial Institutions and their Guarantees (Schedule 1):	
Bank of Montreal and its Guarantees	Royal Bank of Canada and its Guarantees
Bank of Nova Scotia and its Guarantees	Toronto Dominion Bank and its Guarantees
National Bank of Canada	
Canadian Imperial Bank of Commerce and its Guarantees	

Appendix A

Definitions

Risk: The quantifiable likelihood of loss or less-than-expected returns. Examples: currency risk, inflation risk, principal risk, country risk, economic risk, mortgage risk, liquidity risk, market risk, opportunity risk, income risk, interest rate risk, prepayment risk, credit risk, unsystematic risk, call risk, business risk, counterparty risk, purchasing-power risk, event risk.

Principal Risk: The risk of losing the amount invested due to bankruptcy or default. There is always the possibility that through some set of circumstances, invested money will decrease or completely disappear. In this case, principal is lost, not just profits.

Liquidity Risk: The risk that arises from the difficulty of selling an asset. An investment may sometimes need to be sold quickly. Unfortunately, an insufficient secondary market may prevent the liquidation or limit the funds that can be generated from the asset. Some assets are highly liquid and have low liquidity risk (such as stock of a publicly traded company), while other assets are highly illiquid and have high liquidity risk (such as a house).

Furthermore, in the context of the HRM Investment Policy, Liquidity Risk also refers to the risk of not having sufficient funds available to meet financial obligations as they come due.

Market Risk: Risk which is common to an entire class of assets or liabilities. The value of investments may decline over a given time period simply because of economic changes or other events that impact large portions of the market. Asset allocation and diversification can protect against market risk because different portions of the market tend to underperform at different times.

Interest Rate Risk: The possibility of a reduction in the value of a security, especially a bond, resulting from a rise in interest rates. This risk can be reduced by diversifying the durations of the fixed-income investments that are held at a given time.

Policy Committee: The Audit and Finance Standing Committee

Preservation of Capital: A conservative investment strategy characterized by a desire to avoid risk of loss.

Liquidity: The ability of an asset to be converted into cash quickly and without any price discount.

Banker's Acceptance: A short-term credit investment which is created by a non-financial firm and whose payment is guaranteed by a bank. Often used in importing and exporting, and as a money market fund investment.

Treasury Bill: A negotiable debt obligation issued by a government and backed by its full faith and credit, having a maturity of one year or less.

Promissory Note: A document signed by a borrower promising to repay a loan under agreed-upon terms. also called note.

(Most of the definitions are from InvestorWords.com with some modifications to make them more relevant to the Investment Policy)

Attachment B
(Amending Policy)

INVESTMENT POLICY

BE IT RESOLVED by the Council of the Halifax Regional Municipality that the *Investment Policy* is amended, as follows:

1. Schedule A is amended by:

(a) striking out the percentage “20%” in the column “Maximum Allowable % or \$ of Portfolio Per Issuer” in both the rows “Schedule 1 Financial institutions & their Guarantees” and “Schedule 1 Financial Institutions (1-5years)” and substituting the percentage “25%”;

(b) striking out the percentage “60%” in the column “Maximum Allowable % of Portfolio Per Category” in both the rows for “Schedule 1 Financial institutions & their Guarantees” before “***” and substituting the percentage “65%”;

(c) striking out the percentage “50%” in the column “Maximum Allowable % of Portfolio Per Category” in the row Schedule 1 Financial Institutions (1-5years) and substituting the percentage “65%”;

(d) striking out the percentage “20%” in the column “Maximum Allowable % of Portfolio Per Category” in the row “FIXED (Bonds, etc. over one year)”;

(e) striking out the words, comma and period “Bonds, etc.” after the word and bracket “FIXED (” and before the word “over”;

(f) striking out the percentage “50%” in the footnote “***” after the word “exceed” and before the period at the end of the footnote and substituting the percentage “65%”.

2. Schedule B is amended by:

(a) adding a bullet point and the words “Principal Protected Notes issued by Schedule I Financial Institutions, including Market-Linked Notes, Market-Linked Guaranteed Investment Certificates, Fixed Coupon Notes, and Range Accrual Deposit Notes” to the Eligible List of Investments after the last bullet point and words “Corporate Bonds and Debentures”;

(b) striking out the words “Commercial Paper” and its bullet point in the Eligible List of Investments after the bullet point “Canadian Treasury Bills” and before the bullet point “Municipal Promissory Notes”;

(c) striking out the words “Corporate Bonds and Debentures” and its bullet point in the Eligible List of Investments after the bullet point “Federal, Provincial, Municipal Bonds and Debentures” and before the newly added the bullet point “Principal Protected Notes issued by Schedule I Financial Institutions, including Market-Linked Notes, Market-Linked Guaranteed Investment Certificates, Fixed Coupon Notes, and Range Accrual Deposit Notes”.

Done and passed this day of , 202 .

Mayor

Municipal Clerk