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Faculty Association of
the University of Waterloo

Investment Policy

Core Principles

Ethical Investment: Strive to ensure investments align with Environmental Social and Governance Principles.

Capital Preservation: Safeguard principal investments to ensure financial stability.

Liquidity: Maintain sufficient access to funds to meet a minimum of 3 months operating expenses operational needs and to meet unanticipated legal or other expenses.

Risk Management: Diversify investments and adhere to conservative risk parameters.

Goals

FAUW is committed to managing its financial resources ethically and prudently to ensure operational stability. The investment philosophy prioritizes ethical investing, capital preservation, and capital liquidity. To achieve operational stability and to ensure there are sufficient funds for unanticipated expenses in the interest of FAUW members, the organization targets an investment fund balance between 100% and 200% of annual expenses.

Oversight and Reporting

The Treasurer and the Executive Manager, overseen by the Board of Directors, ensure adherence to the core principles through regular financial management or delegation of such management to a qualified financial professional.

The Treasurer will provide a report on all investments held by FAUW to the Board of Directors at designated Board Meetings, at minimum annually. The Treasurer will provide a report to membership as outlined in the FAUW Constitution. All investments in commercial papers or bonds will be reported by the Treasurer to the Board of Directors and recorded in the minutes. Full investment portfolios can be made available to members upon request.



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Asset Allocation

Funds should be allocated in a way that is consistent with the Core Principles. Funds may be allocated in Canadian Dollar instruments between:

Bonds - Credit quality should be at least BBB. The bonds should mature in no more than five years from the date of purchase. The purchases should be made with the objective of having approximately the same amount maturing in each of the subsequent five years. Once purchased, bonds should be held to maturity unless there is a downgrading in quality to below BBB.

Bank accounts - The bank account balance should be maintained at a level that covers at least three months of FAUW operating expenses in Canadian funds.

GICs, Bankers' Acceptance Notes and other similar debt of Canadian Financial Institutions - except for GIC's maturing within 1 year, all assets should be held in cashable or liquid, marketable securities that can easily be converted to cash.

High-grade marketable debt instruments with maturity not exceeding 5 years.

Investment Management

The Executive Manager, supported by the Treasurer, will perform the day-to-day functions required to manage the bank balances and investments consistent with this policy. Delegation of investment management to an external manager requires Board of Director approval.



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Approved by the FAUW Board of Directors May 23, 2002

Amended by the FAUW Board of Directors February 26, 2026

Policy Version Control

Approval Date	Summary of Changes	Approving Body
February 26, 2026	Added ESG, investing & screening; Explicit target fund balance; Greater transparency; Management governance defined; Liquidity requirements increased	FAUW Board of Directors
May 23, 2002	New Policy	FAUW Board of Directors