



huu ay aht

ANCIENT SPIRIT, MODERN MIND

**INVESTMENT MANAGEMENT POLICY
REGULATION**

**OFFICIAL CONSOLIDATION
Current to April 16, 2021**

Provisions of the *Financial Administration Act*, HFNA 7/2011, relevant to the enactment of this Act/Regulation: section 75.

REGISTRY OF LAWS CERTIFICATION

I certify that the *Investment Management Policy Regulation* was passed by Executive Council on:

April 1, 2011



Chief Councillor Robert Dennis Sr.

I certify that the *Investment Management Policy Regulation* is enacted as law on:

April 1, 2011



Ta'yii Hawilth Derek Peters

I certify that the *Investment Management Policy Regulation* came into force on:

April 1, 2011




Law Clerk Connie Waddell

REGISTRY OF LAWS CERTIFICATION

I certify that the *Investment Management Policy Regulation Amendment Regulation, 2021* was passed by Executive Council on:


April 16, 2021



Chief Councillor, Robert Dennis

I certify that the *Investment Management Policy Regulation Amendment Regulation, 2021* is enacted as law on:

April 16, 2021



Ta'yii Hawilth, Derek Peters

I certify that the *Investment Management Policy Regulation Amendment Regulation, 2021* came into force on:

April 16, 2021



Law Clerk, Coraleah Bauer

INVESTMENT MANAGEMENT POLICY REGULATION

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Definitions

- 1 In this regulation, “**Act**” means the *Financial Administration Act*.

Application

- 2 This regulation applies to
 - (a) the Invested Wealth Fund established under the Act,
 - (b) any other fund with a legislated purpose of generating investment income, and
 - (c) funds held by a settlement trust established under section 58 of the Act for the purpose of generating investment income.

Purpose

- 3 The purpose of this regulation is to establish a framework to ensure prudent management of funds held to generate investment income.

Duties of Finance Committee

- 4 (1) As required by the Act, the Finance Committee must act as, and perform the duties and fulfill the responsibilities of,
 - (a) the investment committee for the Invested Wealth Fund and any other fund with a legislated purpose of generating investment income, and
 - (b) the trustees of each settlement trust.
- (2) The Finance Committee must
 - (a) review the investment manager’s performance at least once each year,
 - (b) manage the terms of the investment manager’s and investment custodian’s engagements as required, including
 - (i) amending the terms of those engagements,
 - (ii) renewing those engagements,
 - (iii) terminating those engagements, and
 - (iv) conducting a competitive process to engage a replacement for either or both the investment manager and the investment custodian,

- (c) review the statement of investment policy at least once each year, in consultation with the investment manager, and adopt a revised statement of investment policy incorporating any changes that are, in the view of the Finance Committee, as needed,
 - (d) report quarterly to Executive Council on the management of invested funds,
 - (e) annually prepare a report on the management of the invested funds to be included in the annual report required under the Act, and
 - (f) before the start of each fiscal year and whenever there is a material change in circumstances, provide the investment manager with a forecast of monthly contributions to, and disbursements from, all funds.
- (3) The Finance Committee must not interfere with the investment manager's management of investments or make decisions in respect of investments or securities selected by the investment manager.
- (4) Any statement of investment policy adopted under this section must include a description of
- (a) fund goals,
 - (b) performance objectives,
 - (c) risk tolerance,
 - (d) target, minimum and maximum shares for defined asset classes,
 - (e) limitations on specific investments, and
 - (f) the prescribed parameters of any investment prescribed by Executive Council under subsection 62.2 (1) of the Act.

HFNR 3/2021, s. 1(a).

Conflict of interest

- 5** (1) Individuals involved in any way with investment management are subject to Part 3 of the *Code of Conduct and Conflict of Interest Act*.
- (2) Individuals with authority to make, or ability to influence, decisions related to investment management, who are not subject to Part 3 of the *Code of Conduct and Conflict of Interest Act* must comply with that Act.

Duties of investment manager

- 6** (1) The investment manager has full investment discretion to select specific investments and securities and to buy and sell investments and securities on account of the funds he or she manages, subject to the statement of investment policy and any regulation enacted under section 62.2 of the Act.
- (2) The investment manager must
- (a) participate in annual reviews of the statement of investment policy,
 - (b) communicate and co-operate with the Finance Committee to fulfill its responsibilities,
 - (c) present annual reviews of investment performance to the Finance Committee including matters required under the statement of investment policy,
 - (d) provide the Finance Committee, at a minimum, with

- (i) quarterly written reports, and
 - (ii) annual in-person reports
- in accordance with the statement of investment policy,
- (e) if the value of the Invested Wealth Fund falls by 10% or more below its minimum target value,
 - (i) provide notice of the fund's value to the Executive Director immediately, and
 - (ii) continue to provide notice of the fund's value to the Executive Director on a monthly basis until the fund's value is within 10% of its minimum target value,
- (f) provide the necessary statistical information for the Finance Committee to review the statement of investment policy and the investment manager's performance, and
- (g) identify provisions in the statement of investment policy that may need to be revised due to new investment strategies or changes in capital markets.

HFNR 3/2021, s. 1(b).

Duties of investment custodian

- 7** The investment custodian must
- (a) perform the regular custodial duties required by law,
 - (b) perform the custodial duties required under agreements entered into with the Finance Committee,
 - (c) provide the Finance Committee with
 - (i) a copy of his or her annual credit rating report, and
 - (ii) prompt written advice of any changes to that credit rating report,
 - (d) communicate and co-operate with the Finance Committee to fulfill its responsibilities, and
 - (e) provide the Finance Committee with monthly portfolio statements of all assets of funds managed by the investment manager and all transactions carried out during the month.

Investment of Invested Wealth Fund money in a Huu-ay-aht special investment body

- 8** (1) Before enacting a regulation directing the investment of Invested Wealth Fund monies in a Huu-ay-aht special investment body under section 62.2 (1) of the Act, Executive Council must be satisfied that appropriate mechanisms are in place to allow the Huu-ay-aht to significantly influence the performance of the investment.
- (2) The potential risks to be considered in the risk assessment component of a report under section 62.2 (2) (c) of the Act may include the following types of risks:
- (a) financial,
 - (b) legal,
 - (c) human resources,
 - (d) technological,
 - (e) environmental,

- (f) reputational,
- (g) governance, and
- (h) risks related to the investment structure.

HFNR 3/2021, s. 1(c).