

Policy Revision Concordance Table

2021 CRD Investment Policy (Amendment #2) compared to 2017 CRD Investment Policy

Revision / Addition	Description	2021 draft CRD IP	2017 current CRD IP
Revision	Policy descriptive table updated to current policy format standard.	Policy descriptive table	Policy descriptive table
Addition	Adds that the IP covers all 3 legal entities: CRD, CRHD & CRHC. Adds to the purpose of the policy by explicitly acknowledging that corporate plan priorities are key considerations in CRD investment management.	Section 1	Section 1
Addition	Added to the scope of the policy by explicitly acknowledging that this policy does not apply to trust funds and similar objective- and statute-specific investment activity.	Section 2	Section 2
Revision	Sub-sections under section 3 “PRINCIPLES” were edited for minor language improvements.	Section 3.1 & 3.2	Section 3.1 & 3.2
Revision	Removed: “Where SRI and green investments are within 5% of maximum available yields, SRI or green facilities will be exercised.”	Section 3.3	Section 3.3
Revision	Adds “and responsible investing objectives.” to the Return on Objectives section.	Section 3.4	Section 3.4
Revision	Renames section 4 from “Standard of Care” to “INVESTMENT PARAMETERS”	Section 4	Section 4
Revision	Former sections ‘Prudence’, ‘Ethics and Conflict of Interest’ and ‘Delegation of Authority’ moved from section 4 of 2017 policy to section 5 in 2021 Investment Policy.	Section 5	Section 4
Addition	Section 4.1 of the 2021 Investment Policy “Safety of Principal” and 4.2 “Liquidity” were added. These sections describe the considerations involved to administer these investment parameters.	Section 4.1 & 4.2	N/A (New)

Revision / Addition	Description	2021 draft CRD IP	2017 current CRD IP
Addition	<p>Section 4.4 of the 2021 Investment Policy “Return on Investment” is added describing the considerations involved in this investment parameter, including investment monitoring through performance benchmarks.</p> <p>This section notes that CRHC is excluded from holding lower return products.</p>	Section 4.4	N/A (New)
Revision	<p>Updated the short- and long-term debt and bond rating grades to align with the Dominion Bond Rating Service (DBRS) ratings nomenclature for consistency.</p> <p>Appendix A provides the DBRS ratings scale.</p>	Section 4.5(1)	Sections 6.1
Revision	<p>The 2021 Investment Policy adds Appendix B, which provides a table describing the portfolio diversification constraints.</p> <p>The 2017 Investment Policy limited portfolio diversification constraints to 20% per financial institution and 10% in any one security issue.</p> <p>The new table is intended to provide improved risk management and compliance administration.</p> <p>Also, updated the short- and long-term debt and bond rating grades to align with the DBRS ratings nomenclature for consistency.</p>	Section 4.5(2)	Sections 6.4 & 6.5
Addition	Adds that internal CRD projects (5+ years in investment term) may be an investment opportunity via inter-service borrowing; and these opportunities may be socially responsible initiatives.	Section 4.5 (3)	N/A (New)
Revision	The “Standard of Care” section 4 from the 2017 Investment Policy is relocated to section 5 of the 2021 Investment Policy.	Section 5	Section 4
Revision	<p>Section 5.2 of the 2021 Investment Policy adds the reference to the CRD “Conflict of Interest Policy”, in order to elevate the visibility of this policy in administering the investment portfolio.</p> <p>Section 5.3 of the 2021 Investment Policy is edited for minor language improvements.</p> <p>Section 5.4 of the 2021 Investment Policy re-locates and expands upon the credit risk monitoring section to facilitate administration of this activity. Formerly this</p>	<p>Section 5.2 (Conflict of Interest)</p> <p>&</p> <p>5.3 (Delegation of Authority)</p> <p>&</p> <p>5.4 (Credit Risk Monitoring)</p>	<p>Section 4.2 (Conflict of Interest)</p> <p>&</p> <p>4.3 (Delegation of Authority)</p> <p>&</p> <p>5 (Credit Risk Monitoring)</p>

Revision / Addition	Description	2021 draft CRD IP	2017 current CRD IP
	material was located in sections 5 & 6.1 of the 2017 Investment Policy.		& 6.1 (Authorized and Suitable Investments)
Addition	Adds an explicit reference to the fact that CRD investments are administered on a consolidated (i.e. pooled) basis, rather than segregated investment activity by service area. (section 6 – draft 2021 IP; new to 2017 IP)	Section 5.5	N/A (New)
Addition	Adds an explicit reference to the fact an appropriate benchmark will be set and reported in the annual investment report.	Section 5.6(b)	N/A (New)
Revision	<p>The 2021 Investment Policy section 6 removes the requirement to update the investment policy whenever the CRD business banking is tendered.</p> <p>Instead, the 2021 Investment Policy stipulates a policy review will be conducted when legislation changes, the Municipal Finance Authority of BC establishes a new pooled investment product or every five (5) calendar years.</p>	Section 6 (POLICY REVIEW)	Section 11 (Policy Review)
Addition	Section 7 of the 2021 Investment Policy lists “Related Policy, Procedure and Guidelines”.	Section 7	N/A (New)
Revision	<p>Appendix A presents an updated version of the Dominion Bond Rating Service Credit Quality Ratings.</p> <p>This view adds the Investment Policy ‘permissible investment’ constraint in the table.</p>	Appendix A	Appendix 1
Addition	Appendix B presents the Investment Policy “Portfolio Diversification Constraints” table. This table will permit a more detailed approach to portfolio allocation and risk management.	Appendix B	N/A (New)