



INVESTMENT POLICY

March 2023

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1 – PURPOSE

The purpose of this policy is to provide a clear and consistent understanding of how Wrestling Canada Lutte (WCL) determines, manages and operates its investments to achieve the following outcomes:

- Build reserves through both internal generation of gain and external contributions;
- Articulate WCL’s role and responsibilities for administering this policy; and
- Mitigate the risk of loss to WCL.

2 – DEFINITIONS

- BETA – is a measurement of an individual security (stock) investment’s return volatility (a stock’s risk) relative to the entire security market (systemic risk).
- ENDOWMENT – is a fund, set up to provide long-term support for a particular purpose or cause.
- QUEST FOR GOLD FUND - is a segregated fund of restricted surplus to build an endowment fund to provide a source of future revenues to cover the future costs for WCL’s Quest for Gold program.
- RESERVE FUND – is a segregated fund of restricted surplus to build a stabilization fund to provide a source of future revenues to cover future costs and financial obligations, including those arising unexpectedly.
- RESTRICTED SURPLUS – financial resources which have been internally or externally restricted or formally designated for specific purposes. These restrictions identify funds for a future purpose and are not available to finance other WCL activities.
- STRATEGIC INITIATIVE FUND – is a segregated fund of restricted surplus to provide a future revenue source to support the development and implementation of specific and targeted initiatives identified in WCL’s Strategic Plan that lack funding or financial support from other resources.

In addition, the following abbreviations are used throughout the document:

BOD	WCL’s Board of Directors
ED	WCL’s Executive Director
FAC	WCL’s Finance & Audit Committee
WCL	Wrestling Canada Lutte

3 – SCOPE & APPLICATION

These requirements apply to the financial resources of WCL.

4 – KEY PRINCIPLES

WCL’s Investment Policy is based on the following key principles:

- Generate investment income within an acceptable risk profile.
- Provide a source of financially stable revenues.
- Ensure that a certain portion of the reserves are liquid.

5 – POLICY

WCL will invest funds from designated funds (Restricted Surplus accounts) to achieve or exceed its investment objective within the established investment constraints to mitigate risk of loss.

The following Restricted Surplus accounts have been designated for Investment under this Policy:

- Reserve Fund
- Quest for Gold Fund
- Strategic Initiative Fund

6 – INVESTMENT OBJECTIVE

The investment objective of WCL's portfolio of investments is to create a rolling four-year (16 quarter average) return of 5-8%, while providing a reasonable protection to the principal balance.

7 – ELIGIBLE INVESTMENTS

Approved investments include:

- Cash or cash equivalent Investments including cash, deposit instruments at Canadian Chartered Banks ("Deposits"); Guaranteed Investment Certificates at Canadian Chartered Banks ("GIC"); Bankers' Acceptances ("BA") and Government of Canada Bonds ("T-Bills");
- Government of Canada Bonds ("Bonds");
- Large Cap CDN individual security positions provided they have a Beta less than 1.5 and pay a dividend yield over 3.5% with a minimum 10-year track record of stable and/or increasing dividend (measured at time of initial investment); and
- Large Cap USD individual security positions provided they have a Beta of 1.5 or less and pay a dividend yield over 3.5% with a minimum 10-year track record of stable and/or increasing dividend (measured at time of initial investment).

8 – INVESTMENT CONSTRAINTS

- Derivative Securities, Asset Backed Securities and Mortgage or Private Lending investments are not eligible investments;
- A minimum of 80% of the portfolio must be denominated or hedged in Canadian Currency;
- A maximum of 15% of the portfolio will be invested in securities with a Beta of 1.0 and greater; and
- A minimum balance of 10% of the portfolio must be held in cash or cash equivalents.

9 – INVESTMENT MANAGEMENT

The Executive Director shall manage the investments under general direction of the Treasurer, through an online brokerage account to keep fees low and consistent and allow consistent, accurate and timely review of the investment mix. The ED can obtain advice from a professional investment advisor.

10 – CONDITIONS & MONITORING

The Executive Director shall send quarterly reports on investment activities and the results to the FAC, who shall review the reports for compliance with the policy. The FAC, in conjunction with the ED, shall provide an investment report annually to the BOD.

11 – REVIEW

The policy will be reviewed periodically as needed, but at least every 2 years. The next mandatory review will be March 31, 2024.

12 – EXCEPTIONS

Any exceptions to the policy must be approved by the BOD.