Investment and Treasury Management Policy

1. STRATEGIC PLAN THEME AND COMPLIANCE OBLIGATION SUPPORTED

   Strategic Plan Theme: [Sustainable Future]

Curtin University Act 1966

Trustees Act 1962 (WA)

Financial Management Act 2006 (WA)

2. PURPOSE

   Nil

3. POLICY STATEMENT

   3.1. The primary investment objectives of the University are the maximisation of earnings within acceptable levels of risk and meeting liquidity requirements in order to:
       • support the mission of the University over the long term; and
       • provide security and preservation of the real value of capital.

   3.2. Adequate cash reserves will be maintained to allow the University to conduct its business.

   3.3. Cash and investments will be managed through the Short Term Pool and Long Term Pool.

   3.4. The Short Term Pool provides for operational cash needs having regard for quarter to quarter cyclical recovery. Other cash and investments will be held in the Long Term Pool.

   3.5. Investment Performance Objectives will be set for both the Short Term Pool and Long Term Pool.

   3.6. Risks are managed by having a diversified [Strategic Asset Allocation] for the Long Term Pool. The Strategic Asset Allocation should cover:
       • Asset allocation between various asset classes.
       • Asset mix between domestic and overseas investments.
       • Hedged and unhedged funds for overseas investments.

   3.7. One or more Investment Managers may be appointed to manage the Investment Pools. Investment Managers must be of Investment Grade counterparties or highly rated by the Investment Consultant.

3.8. Responsibilities

   Detailed responsibilities are documented in the University’s [Investment and Treasury Management Procedures].

   • Council
     Council is responsible for approving the University’s [Investment and Treasury Management Policy].

   • Finance Committee
     The Finance Committee is responsible for approving the University’s Investment and Treasury Management Procedures, selecting investment strategies and advising the Council on them, overseeing compliance, implementation and performance against investment objectives.

   • Chief Financial Officer,
     The Chief Financial Officer is responsible for compliance, monitoring and reviewing the performance of the University’s investment strategy and reporting performance outcomes against the investment objectives to the Finance Committee.
• **Director, Financial Reporting**

The Director, Financial Reporting is responsible for the daily operation, management and implementation of the Investment strategies.

• **Investment Consultant**

The Investment Consultant is responsible for carrying out services as required by the Chief Financial Officer.

4. **SCOPE OF POLICY**

This policy applies to those engaged in monitoring and governing the University's investment strategy, including operating cash flows, banking management. Typically, this will encompass the Finance Committee, the Chief Financial Officer, Investment Consultants and other Delegated Officers.

This policy does not cover direct investment in "spin-off" companies for the purposes of the commercialisation of intellectual property and other direct investments.

5. **DEFINITIONS**

(Note: Commonly defined terms are located in the *Curtin Common Definitions*. Any defined terms below are specific to this document)

**Investment**

Means placement of centrally managed University funds in assets or items with the intent of generating income, return or appreciation in value. Investments are administered by Financial Services.

**Investment Grade**

Means that either Standard & Poor's or Moody's has rated an investment as having "Investment Grade" credit rating, ie BBB- or above (Standard & Poor's) or Baa3 or above (Moody's).

**Long Term Pool**

Means the funds that are invested with the intention of achieving returns that are in excess of those of the Short Term Pool. The funds in this pool are intended for strategic purposes.

**Operating Account**

Means the operating bank account(s) utilised for the purposes of receiving and making operational payments.

**Short Term Pool**

Means the Investment Pool where excess holdings of cash and investments are held that are not invested in the Long Term Pool. This pool is used to manage the ongoing day-to-day operational and short term cash flows of the University by investing temporary cash surpluses and providing a reserve of funds for operational cash needs.

**Strategic Asset Allocation**

A portfolio strategy that involves periodically rebalancing the portfolio in order to maintain an asset allocation target.

6. **SUPPORTING PROCEDURES**

*Investment and Treasury Management Procedures*

*Banking Management Procedures*

*Borrowing Policy and Procedures*

*Foreign Exchange Procedures*

7. **OTHER RELEVANT DOCUMENTS/LINKS**

*Curtin University Act 1966*

*Trustees Act 1962 (WA)*

*Financial Management Act 2006 (WA)*
REVISION HISTORY

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