



Council Policy

Policy Name	OAA Investment Policy
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1.0 GENERAL

1.1 About the Ontario Association of Architects

The Ontario Association of Architects (OAA) is a not-for profit regulatory body that serves and protects the public interest by overseeing the practice of architecture in Ontario, as mandated by the [Architects Act](#). The Association licenses Architects and Licensed Technologists (OAA members), establishes and enforces standards for professional practice and ethics, and ensures ongoing education to maintain competency. By upholding stringent qualification standards and supporting continuous professional development, the OAA helps ensure its members create safe, accessible, and functional buildings that meet the needs of a diverse society. The Attorney General is the Minister responsible for the *Architects Act*, and to whom the OAA reports directly.

1.2 Policy Purpose and Investment Intent

As an independent regulatory body entrusted with protecting the public interest and upholding professional standards, the organization recognizes its fiduciary responsibility to manage financial resources with prudence, integrity, and accountability. The purpose of this Investment Policy is to establish clear guidelines for the management and investment of the OAA's cash reserves and operating funds.

The primary purpose of the organization's investments is to ensure the long-term financial sustainability necessary to support its mandate of safeguarding the public and serving its membership responsibly. As a secondary objective, investments serve to provide additional revenue for the OAA outside of the annual membership dues. It is of paramount importance that OAA's funds are managed in a prudent and strategic manner, prioritizing capital preservation, liquidity, and maximizing return within a relatively low-risk framework.

1.3 Governing Documents

Architects Act: The OAA exists as an organization by virtue of the *Architects Act*. The Act sets out the responsibilities of the OAA and defines the extent of its authority as a regulator. Section 54 of the *Not-for-Profit Corporations Act, 2010* does not apply to the Association, except as may be prescribed by the regulations.

Regulations Under the Act: The Act also provides for regulation-making authority including but not limited to details of elections to the Council; Executive Committee; classes of membership; terms and conditions of licensure; requirements for professional liability insurance; continuing education; and professional misconduct. These items are prescribed in Regulation 27 under the *Architects Act*. As it relates to the finances of the Association, under Section 55 of the Regulation, the following provisions of the *Not-for-Profit Corporations Act, 2010* apply in respect of the auditors for the Association and annual financial reporting, specifically Sections 68 to 75, Sections 77 and 78, and Sections 83 and 84.

Bylaws: The Act also provides for bylaw-making powers that govern the administrative and domestic affairs of the Association. The OAA Bylaws establish roles and responsibilities of members of Council, the President, the Treasurer, and the Executive Director. Among other items, these bylaws also set out banking and financial responsibilities. Specifically, Sections 51 to 64 of the OAA Bylaws set out the banking and financial affairs of the Association, including the authority for funds not immediately required to be invested.

Council Policies: The OAA Council has established policies that set out the rules, principles, and guidelines that govern the actions and decisions of the governing Council, as well as other aspects of the OAA's roles and responsibilities.

1.4 Reserve Policies

Building/Major Capital Reserve: The building reserve represents money internally restricted by Council for building maintenance, repair, or replacement that cannot be otherwise funded in a single budget year through the OAA's existing annual operating budget. The OAA's 30-year building reserve fund study is integral to identifying and establishing minimum amounts that must be held in this reserve and when funds should be readily available to cover the replacement or maintenance of major components of the building.

- Time Horizon: 3+ years

Operating Reserve: The operating reserve fund represents money internally restricted by Council to ensure the stability of the OAA's ongoing operations.

- Time Horizon: 5+ years

Legal Reserve: The legal reserve fund represents amounts internally restricted by Council to provide a source of sustained funding for legal costs that cannot be otherwise funded in a single budget year through the OAA's existing annual budget.

- Time Horizon: 5+ years

1.5 Engagement of an Investment Manager

To maximize the intent of this investment policy, the OAA's Finance & Audit (F&A) Committee will facilitate engaging the services of an external Investment Manager in accordance with the OAA's Procurement Policy. The Investment Manager will provide both strategic and practical advice to the OAA on investing OAA funds to maximize returns while aligning with the OAA's risk tolerance and financial goals and objectives. Council approval of the Investment Manager is required.

1.6 Roles and Responsibilities

Council: In accordance with its core financial fiduciary duties, Council establishes the Investment Policy and ensures OAA assets are managed in accordance with the guidelines set out in the policy. In doing so, the Council acts as stewards, safeguarding the organization's financial resources and ensuring they are used wisely.

Finance and Audit Committee: The F&A Committee is appointed by the Council. As a component of its responsibilities, this committee monitors the application of the policy and the performance of the investments.

Through an RFP process, the F&A Committee is responsible for advancing a recommendation to Council regarding the engagement of an individual and/or company as the Investment Manager. The committee must ensure the Investment Manager has appropriate controls in place.

OAA Management: Management is responsible for communicating with the Investment Manager regarding the parameters of the OAA's Investment Policy as well as adherence to policy objectives and timely reporting. Management is also responsible for identifying and reporting any deviations from policy or emerging financial risks in a timely manner.

Investment Manager: The Investment Manager is responsible for providing financial planning and advising on investment strategies that align with the OAA's financial goals and objectives. The Investment Manager will work within the



parameters of this policy and Terms of Reference established by the OAA Council. The Investment Manager will oversee the performance of investment portfolios and report results back to the OAA.

1.7 Environmental, Social, and Governance (ESG) Investing

The OAA supports the practice of incorporating ESG factors with other conventional financial analytical tools when evaluating investment opportunities.

The OAA adopts a Responsible Investment (RI) approach that explicitly acknowledges the relevance of ESG factors. The Investment Manager has a fiduciary duty to act in the best interests of the OAA and to base investment decisions on their professional judgement and thorough research. This incorporates both ESG and non-ESG factors, with the objective of enhancing the financial performance of the investment mandate that respects the OAA's risk tolerance.

1.8 Conflict of Interest

With the goal of acting in a manner that reflects transparency and professionalism in regulating the practice of architecture and in governing OAA members to serve and protect the public interest, Council has adopted a policy to address real, potential, and perceived conflict of interest. This policy applies to all members of the Council and the F&A Committee.

2.0 ASSET MIX AND INVESTMENT GUIDELINES

2.1 Investment Mix & Categories

In general, the OAA will diversify its investments to minimize the risk of large losses. The mix of investments will adhere to the OAA's purpose and time horizon of each reserve fund with an overarching focus on low to medium-risk investing. The Investment Manager provides advice regarding appropriate investments and will tailor the investment portfolio to ensure the OAA's cash flow needs are met.

Building/Major Capital Reserve			
Asset Class	Strategic Target	Range	Benchmark
Cash & Equivalents	20.0%	5.0% - 35.0%	FTSE Canada 30 Day T-Bill Index
Fixed Income	80.0%	60.0% - 95.0%	
Universe Bonds	35.0%		FTSE Canada Universe Bond Index
Short Term Bonds	25.0%		FTSE Canada Short Term Overall Bond Index
High Yield Bonds	20.0%		FTSE Canada Short Term Overall Bond Index



Operating Reserve			
Asset Class	Strategic Target	Range	Benchmark
Cash & Equivalents	0.0%	0.0% - 10.0%	
Fixed Income	50.0%	35.0% - 65.0%	
Universe Bonds	25.0%		FTSE Canada Universe Bond Index
Short Term Bonds	10.0%		FTSE Canada Short Term Overall Bond Index
High Yield Bonds	15.0%		FTSE Canada Short Term Overall Bond Index
Equity	50.0%	35.0% - 65.0%	
Canadian Equities	17.0%		S&P TSX Capped Composite
Global Equities	30.0%		MSCI World Net Index C\$
Emerging Markets Equities	3.0%		MSCI Emerging Markets Net Index C\$

Legal Reserve			
Asset Class	Strategic Target	Range	Benchmark
Cash & Equivalents	0.0%	0.0% - 10.0%	
Fixed Income	50.0%	35.0% - 65.0%	
Universe Bonds	25.0%		FTSE Canada Universe Bond Index
Short Term Bonds	10.0%		FTSE Canada Short Term Overall Bond Index
High Yield Bonds	15.0%		FTSE Canada Short Term Overall Bond Index
Equity	50.0%	35.0% - 65.0%	
Canadian Equities	17.0%		S&P TSX Capped Composite
Global Equities	30.0%		MSCI World Net Index C\$
Emerging Markets Equities	3.0%		MSCI Emerging Markets Net Index C\$

2.2 Permitted & Prohibited Investments

In general, OAA funds may be invested in any of the following instruments:



- **Guaranteed Investment Certificates (GICs)**
 - fixed-rate or redeemable (cashable) GICs issued by a Schedule I Canadian financial institution; and/or
 - term and redemption conditions should balance liquidity with interest optimization.
- **Premium Investment or High-Interest Savings Accounts**
 - maintained through CIBC or other approved Schedule I Canadian banks; and/or
 - funds to be held in premium or business investment accounts earning market-competitive interest.
 - Cash and equivalents with a minimum DBRS credit rating of R-1 or equivalent or held with institutions that have a long-term credit rating of "A" or better, at the time of purchase.
- **Bonds**
 - bonds, debentures, notes, non-convertible preferred stock, and other evidence of indebtedness of Canadian issuers denominated and payable in Canadian dollars, provided such instruments are traded on a recognized public exchange or through established investment dealers;
 - mortgage-backed securities of Canadian issuers;
 - asset-backed and or commercial mortgage-backed securities of Canadian issuers;
 - term deposits and guaranteed investment certificates;
 - bonds of foreign issuers denominated in Canadian dollars; and/or
 - other instruments included in the FTSE TMX Universe Bond Index.
- **Equities**
 - Canadian and foreign equity securities that are listed on a public exchange or convertible or exchangeable into such securities, provided that the equity portfolio is diversified by company, region and industry.

Derivatives: The Manager may use derivatives, such as swaps, options, futures and forward contracts, for hedging purposes, to protect against losses from changes in interest rates and market indices, for non-hedging purposes, and as a substitute for direct investment.

Investment of funds in an instrument not specifically permitted by the policy is strictly prohibited, including direct investments in:

- fossil fuels or fossil fuel pipeline projects;
- real estate, mortgages, and venture capital;
- cryptocurrencies;
- short sells and/or companies established to short sell; and derivatives used for the purpose of speculation.

2.3 Monitoring and Reporting

The Investment Manager shall report to the Finance & Audit Committee through the Manager Finance on a quarterly basis on the performance of the investments. The Investment Manager shall actively monitor the OAA's investments and advise where rebalancing may be required based on benchmarks identified by the F&A Committee. The Senior Vice President & Treasurer will report to the Council on a periodic basis regarding the performance of the OAA's investments as set out in this policy.

3.0 POLICY REVIEW

This policy shall be reviewed by the Finance & Audit Committee annually to ensure continued alignment with OAA's financial objectives and market conditions. Any amendments shall be presented to Council for approval.

