



Nunavut Tunngavik Incorporated

SHORT TERM SURPLUS FUNDS INVESTMENT POLICY

Approved by the Board of Directors in June 2021

I. GENERAL

1.1 Purpose

The purpose of this policy (the “Policy”) is to establish a prudent framework to guide the management of investments of Nunavut Tunngavik Incorporated (“NTI”) surplus funds that are in excess of NTI’s day-to-day operating requirements and to maximize the earnings on these funds while minimizing the risk to capital.

The NTI Short-Term Surplus Funds (the “Funds”) are defined as funds that are in excess of day-to-day operating requirements and are intended to be held for the short-term (3 years and below).

Funds shall be fully liquid and available upon request. Therefore, liquidity and preservation of capital must be prioritized.

1.2 Role and Responsibilities

The Board of Directors (the “Board”) is responsible for the approval of and amendments to this Policy. The Board is also responsible for appointing and terminating investment managers based on the recommendation of NTI staff and advice of the Investment Advisory Committee.

II. INVESTMENT OBJECTIVES

2.1 Statement of Investment Objectives

The primary investment objectives of the Funds are to preserve capital, minimize volatility, ensure that the Funds are sufficiently liquid and available to fund NTI operations, and to improve the rate of return compared to NTI’s general bank accounts and protect invested funds from inflation.

III. TIME HORIZON

3.1 Time Horizon

The time horizon for the Funds invested under this Policy is no more than three years. Funds invested in the NTI Short-Term Surplus Funds will remain accessible for short term needs.

IV. LEGAL AND TAX CONSIDERATIONS

4.1 Legal and Regulatory Considerations

All accounts under this Policy will follow the applicable NTI policies, rules and regulations and applicable Canadian laws.

4.2 Tax Considerations

NTI is a tax-exempt entity. Investments will be made with an overall goal of minimizing tax consequences, including withholding taxes, to further enhance benefits to NTI.

V. ASSET ALLOCATION AND INVESTMENT MANAGEMENT GUIDELINES

5.1 Unique Preferences and Circumstances

All accounts governed by the Policy will, where possible, integrate socially responsible investing and Environment, Social and Governance (ESG) factors into the portfolio as an additional level of due diligence.

5.2 Asset Allocation

Asset Class	Target
Cash and Cash Equivalents	100%

5.3 Benchmarks

Investment Option	Benchmark
Cash and Cash Equivalents	FTSE 91-day T-Bill index

5.4 Investment Management Guidelines

All accounts are subject to the following guidelines:

1. Unless the Board specifically directs otherwise, investments are to be made in the publicly traded fixed income securities market.
2. Investments are to be sufficiently flexible to accommodate any withdrawals that NTI may require on short notice.
3. Investments may be made directly or through the use of an investment manager chosen by the Board from time to time.
4. Investments are limited to fixed income securities through direct ownership of bonds, guaranteed investment certificates (GIC), fixed income pooled funds and exchange-traded funds (ETFs).
5. There is no restriction on investing in short-term debt securities including bonds issued by the Federal and Provincial governments in Canada under three years to maturity.

VI. REPORTING AND REVIEW

6.1 Reporting

An annual performance report of the Funds shall be provided to the Board.

6.2 Review

This Policy shall be reviewed at least once every five years, or more frequently at the discretion of the Board.