



Nunavut Tunngavik Incorporated

MEDIUM TERM SURPLUS FUNDS INVESTMENT POLICY

Approved by the Board of Directors in June 2021

I. GENERAL

1.1 Purpose

This Medium Term Surplus Funds Investment Policy (the “Policy”) is established to administer Nunavut Tunngavik Incorporated’s (NTI) funds that are intended to be invested for a period ranging from three (3) years to no more than ten (10) years (medium term) and for which there are no anticipated immediate liquidity requirements (cash required within 12 months).

1.2 Roles 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.

II. INVESTMENT OBJECTIVES

2.1 Statement of Investment Objectives

The primary investment objective of the Policy is to enable sustained growth of NTI funds that are held for a period ranging from three (3) years to no more than ten (10) years (medium term) and for which there are no anticipated immediate liquidity requirements.

2.2 Return Objectives

The portfolio will be managed with the objectives of generating capital and income growth, in a balanced, diversified portfolio, with a three to ten-year time horizon to maximize investment returns within the risk parameters set out under “Asset Allocation and Investment Management Guidelines” in section “V” hereunder.

III. TIME HORIZON

3.1 Time Horizon

The time horizon for funds invested under this policy is three years to ten years, meaning that the accounts could hold medium-term investments with little or no consideration for short-term liquidity or income needs.

IV. LEGAL AND TAX CONSIDERATIONS

4.1 Legal and Regulatory Considerations

All accounts under the 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 this 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	Minimum	Maximum
CASH AND EQUIVALENTS	0%	0%	10%
FIXED INCOME	70%	60%	80%
EQUITY	30%	20%	40%
Total	100%		

5.3 Benchmarks

Investment Option	Benchmark
Fixed Income	FTSE TMX Universe
Equities	MSCI World Index (net dividend) or MSCI ACWI Index (net dividend)

5.4 Investment Management Guidelines

All accounts are subject to the following guidelines:

- a) A minimum of 80% of the cash and fixed-income portfolio will be invested in investment-grade securities.
- b) The portfolio will be diversified across multiple sectors.
- c) The majority of the equity holdings will be mid-to-large companies as measured by market capitalization and,
- d) The maximum amount allowable per equity security will be 10% of the equity portfolio.

From time to time, market fluctuations may cause the portfolio to be temporarily inconsistent with the Asset Allocation. When this occurs, the investment managers will undertake realignment of the portfolio within a reasonable time in accordance with this Policy.

VI. REPORTING AND REVIEW

6.1 Reporting

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

6.2 Review

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