

TUESDAY, 9TH JANUARY 2018

5 RESERVE & INVESTMENT CONSIDERATIONS FOR CO-OP BOARDS

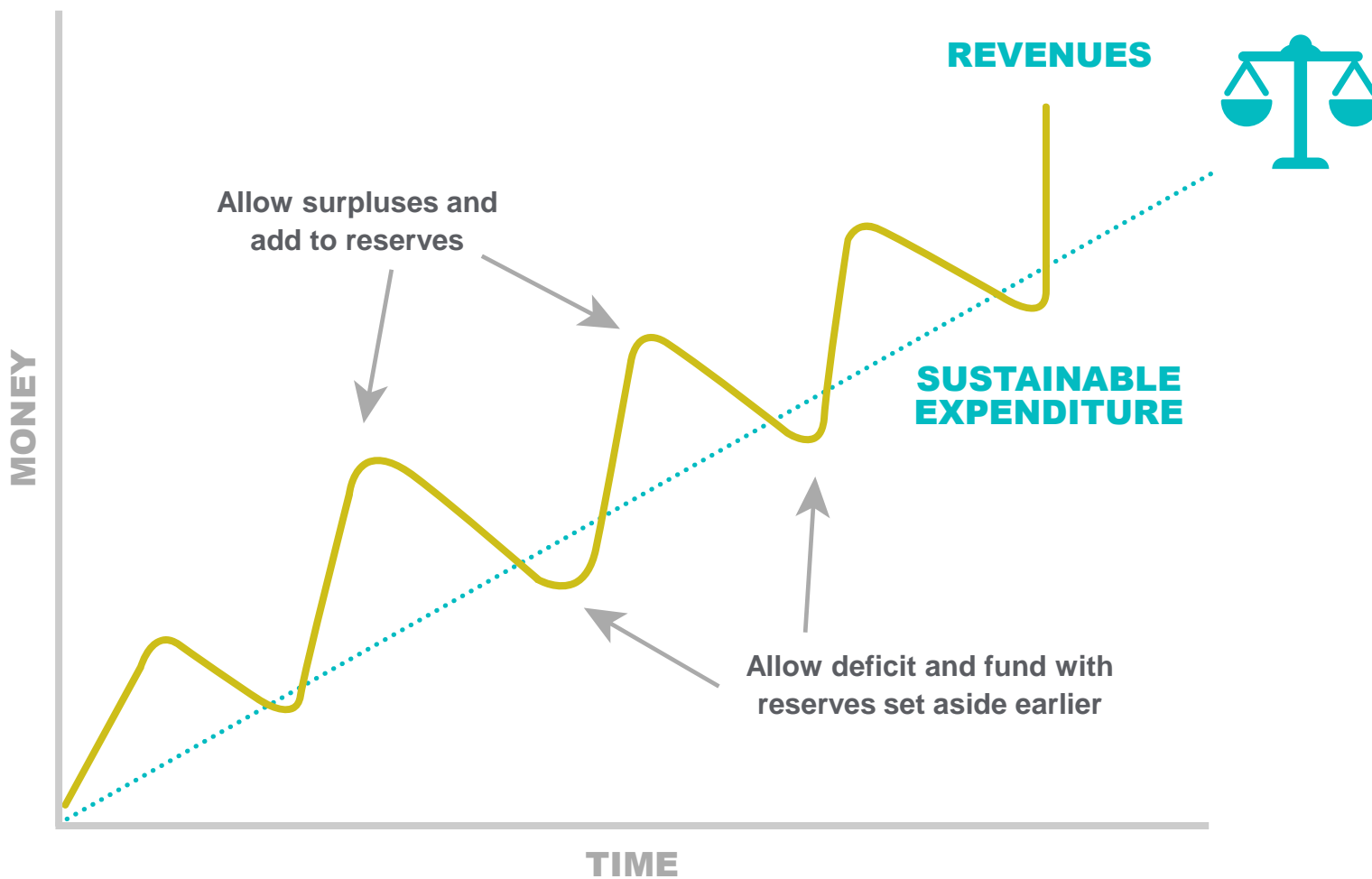
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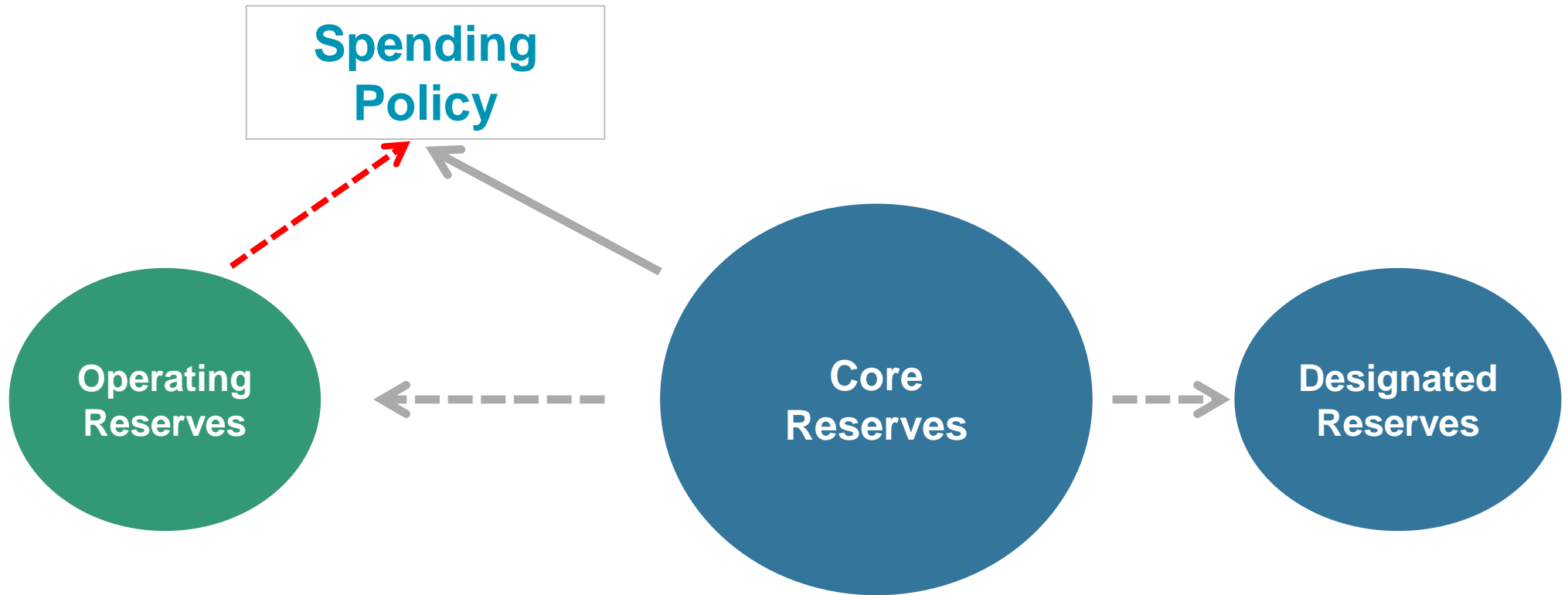
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1. ALIGN RESERVES WITH STRATEGIC INTENT

ENSURING THE SUSTAINABILITY OF YOUR CO-OP

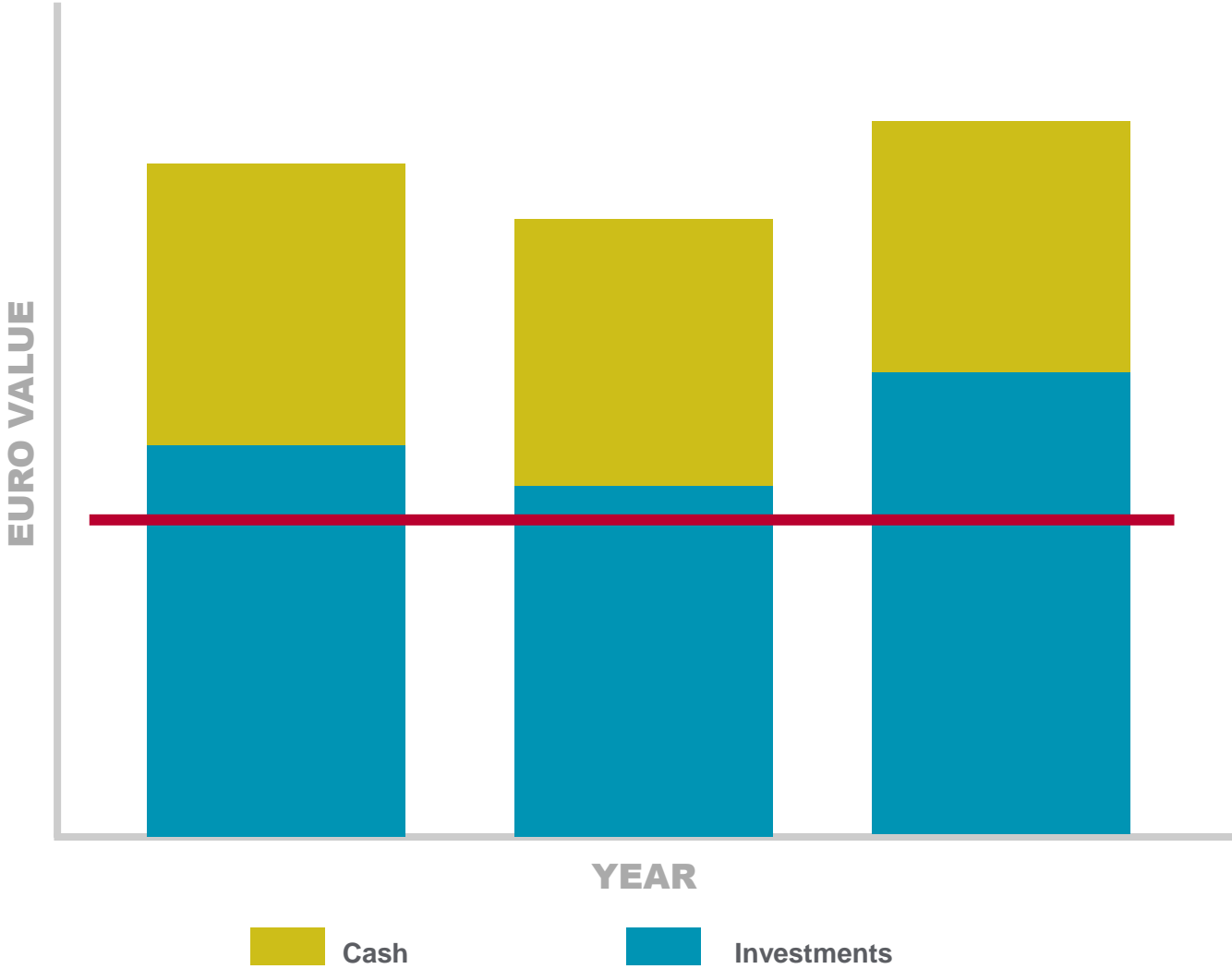


APPORTION RESERVES ACCORDINGLY



2. UNDERSTAND VOLATILITY AND PROTECT BOTTOM LINE

CONSIDER A LIQUIDITY FLOOR



ACCEPTABLE RISK = NECESSARY RISK

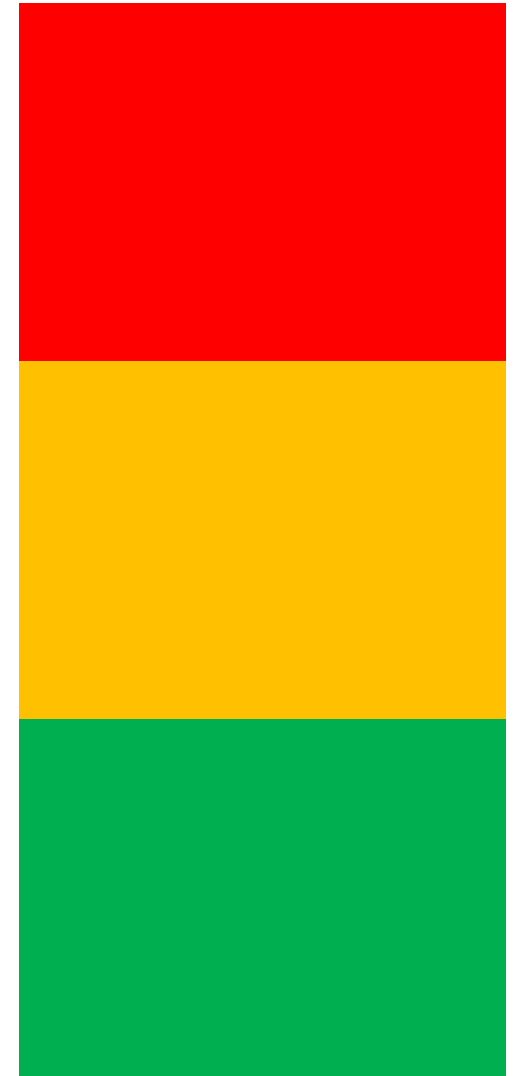
1. The risk of not achieving your strategic objectives
2. The risk of jeopardising bottom line profitability

Investments should be a conduit not a deterrent to your Co-Op's long term sustainability

3. MANAGE STOCK SPECIFIC RISK

LONG TERM HOLDINGS

- ❑ Set criteria to evaluate the stock
- ❑ Consider sentiment and outlook
- ❑ Be conscious of the broader market
- ❑ Evaluate in context of sustainability and risk
- ❑ Divest over time, if necessary, in a controlled manner



4. DIVERSIFY

STRUCTURING YOUR INVESTMENTS



A needs-based approach:

Funds are apportioned into separate pools which target specific goals

PORTFOLIO	Liquidity	Market	Strategic
Need Addressed	Provide Cash Flows in the near term	Invest to maintain spending needs over the longer term	Invest to Serve Strategic Goals

5. DOCUMENT POLICY AND REPORTING FRAMEWORK

CREATION OF A POLICY STATEMENT



OBJECTIVES



RISK MANAGEMENT



RESPONSIBILITIES



RESERVES & LIQUIDITY



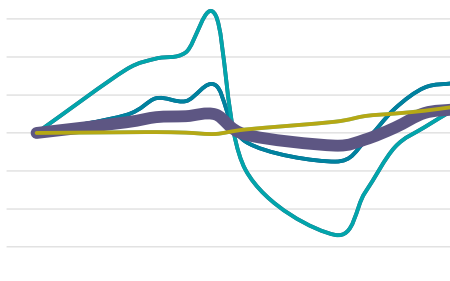
TARGET RETURN



ASSET ALLOCATION



RESPONSIBLE INVESTMENT



BENCHMARKS & REPORTING



SPENDING POLICY

THANK YOU

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