Policy Title: Investment Policy	
Category: Corporate Services	Review Date: Annually
Approver(s): Audit & Investment Committee to the Board	Approval Date: September 2024

INVESTMENT POLICY

1. OBJECTIVE

The objective of the Investment Policy is to set forth the principles governing management and investment by the Corporation of amounts it may receive from governmental authorities from time to time (the "*Amounts*").

2. INVESTMENT OF THE AMOUNTS

2.1. The Committee shall ensure that any portion of the Amounts that has not been disbursed be invested in accordance with the present policy and the prudent person principle set out in Section 5.1.

2.2. Investment decisions shall be made with the principal objective being the preservation of the capital to meet future disbursement requirements

3. INVESTMENT STRATEGY

3.1. Investment Philosophy – Primary emphasis shall be placed on preservation of capital by minimizing risks from either market or credit factors and optimizing returns as a prudent investor.

3.1.1. The investment manager should act as an active, pragmatic investor for all market conditions. Their broad investment philosophy should:

3.1.1.1. consider that markets are often inefficient in the short term and therefore the investment manager should be active;

3.1.1.2. consider that inefficiencies exist at the macro-economic sector and security level and therefore should seek to add value through analysis of duration, credit bands, curve positioning and individual security selection;

3.1.1.3. consider that economic and business cycles are the primary determinants of value change and hence analysis of these should be at the core of their investment process;

3.1.1.4. seek to outperform the market;

3.1.1.5. focus on Genome Canada's longer-term investment requirements while ensuring short term liquidity is accessible as required.

4. OBJECTIVES AND EXPECTATIONS AND RISK MANAGEMENT

The primary objective is to preserve capital and maintain liquidity with low-risk investments, and, to outperform inflation.

5. MANAGEMENT OF THE AMOUNTS

5.1. The Corporation shall invest and manage the Amounts in accordance with the present policy which a prudent person would follow in making investment decisions with respect to property belonging to others.

5.2. The prudent person or prudent investor principle shall always guide investment decisions and, in case of conflict between such principle and any provision of the present policy, the prudent person or prudent investor principle shall prevail.

5.3. The Corporation shall establish an investment committee (hereinafter referred to as the «*Committee*») that oversees all matters related to the investment management of the Amounts. The Committee should be composed of at least three directors who are not officers or employees of the Corporation. Members of the Committee shall be financially literate and have broad knowledge or experience in investment matters.

5.4. The Committee shall recommend to the Board for its approval, the appointment of one or more independent, external investment advisors to provide investment advice. The Committee may also recommend to the Board the appointment of one or more professional portfolio managers to invest the Amount in a manner consistent with the approved Investment Policy and the Investment Strategy.

6. PERFORMANCE MEASUREMENT AND MONITORING PROCEDURES

6.1. The responsibilities, duties and authority of the Committee, as per the Terms of Reference, include the following:

6.1.1. Monitor the implementation of the Investment Strategy, including assets mix, assessment of risk in respect of investment management, performance against appropriate, aggregate benchmarks, and specific investments outside of the delegated limits;

6.1.2. Review and evaluate Management's procedures for monitoring compliance with the Statement of Investment Policy and Investment Strategy;

6.1.3. Monitor compliance by the external investment advisors and portfolio managers who have discretionary authority to invest Genome Canada funds;

6.1.4. Recommend to the Board of Directors the engagement of one or more independent, external investment advisors, as well as one or more professional portfolio managers to invest the funds against agreed to performance objectives.

7. CONFLICT OF INTEREST

The Committee shall ensure that all external investment advisors involved in the investment and management of the Amount disclose in writing, on a timely basis, the nature and intent of his/her interest, including any material interest in any entity that is a party of a transaction with the Corporation as well as any other matters requested from all Directors and Officers of the Corporation pursuant to the Confidentiality and Conflict of Interest Policy of the Corporation which applies mutatis mutandis to the aforementioned advisors and managers.

8. REVIEW OF POLICY

The Board of Directors of the Corporation shall periodically review the present policy but no less frequently than annually, specifying permitted transactions, risk limitations for all markets and credit risks faced by the Corporation. The Committee shall ensure that the Board of Directors is regularly made aware of any significant financial risks facing the Corporation, including the consequences of potential significant losses on investments of any or all of the Amounts.

9. INVESTMENT GUIDELINES

9.1. The Corporation shall invest funding received that has not been disbursed in securities which are within those classes and permitted investments ("*Eligible Securities*"), subject to quantitative limits, as specified herein.

9.2. The deemed credit rating (the "Rating") of any Eligible Security will be established, at the time of acquisition by the Corporation of the Eligible Security.

9.3. All investments or counterparts shall have Rating from at least 2 of the 4 following rating agencies: Moody's Ratings, Standard & Poor's Rating Services, Fitch Rating Ltd, and MorningStar DBRS Ltd. When there are 2 or more Ratings provided for an entity or security, the lower of the 2 highest external credit ratings should be used to determine eligibility, in accordance with Basel IV rules.

9.4. The Rating of any Eligible Security will be established at the time of acquisition as:

"AAA" if lower of the 2 highest external credit ratings is one of the following:
Moody's: Aaa
S&P: AAA
Fitch: AAA
DBRS: AAA

"AA" if the lower of the 2 highest external credit ratings is one of the following:
Moody's: Aa1. Aa2, Aa3
S&P: AA+, AA, AA-
Fitch: AA+, AA, AA-
DBRS: AA(high), AA, AA(low)

"A" if the lower of the 2 highest external credit ratings is one of the following:
Moody's: A1. A2, A3
S&P: A+, A, A-
Fitch: A+, A, A-
DBRS: A(high), A, A(low)

9.5. All securities will be denominated in Canadian dollars.

10. QUANTITATIVE LIMITS ON INVESTMENT HOLDINGS

10.1. Investments in Eligible Securities of any one issuer, or two or more affiliated entities, shall be limited to no more than ten per cent (10%) of the Corporation's investment portfolio's assets.

10.2. Section 10.1, hereof does not apply in respect to:

10.2.1. Investments in Eligible Securities issued by the Government of Canada or the government of a province, or Eligible Securities that carry the full faith and credit of either; and

10.2.2. Any index, segregated, mutual or pooled fund.

10.3. Investments in Eligible Securities with a credit Rating of "A" shall be limited to no more than twenty percent (20%) of the Corporation's investment portfolio's assets.

10.4. Investments in Eligible Securities with a Rating of "AA" shall be limited to no more than seventy percent (70%) of the Corporation's investment portfolio's assets.

10.5. Ratings allocation – The Corporation's investment portfolio shall be structured under the following guidelines.

Rating	Minimum	Maximum
AAA	10%	100%
AA	0%	70%
A	0%	20%

(Securities that do not qualify for any of the above Rating categories as defined in Section 9 are not permitted).

10.6. Investment in Eligible Securities that are not issued by, or carry the full faith and credit of either the Government of Canada or the government of a province shall be limited to no more than seventy per cent (70%) of the Corporation's investment portfolio's assets.

11. LIQUIDITY AND MATURITIES OF THE ELIGIBLE SECURITIES

The maturities and terms of investments shall match the profile of the Corporation's forecasted disbursements and liquidity requirements. In cases where the timing of disbursements is unknown, investments shall be held in Eligible Securities with term to maturity of one (1) year or less.

12. PERMITTED INVESTMENTS - ELIGIBLE SECURITIES

12.1. The following constitute permitted investments:

12.1.1. bank certificates of deposit;

12.1.2. banker's acceptances;

12.1.3. treasury bills, commercial paper and other short-term securities, bonds and notes issued by the federal government, provincial governments, municipal governments, and corporations; and,

12.1.4. other fixed-income securities that carry the full faith and credit of the Government of Canada.

13. PROHIBITED INVESTMENTS AND TRADING ACTIVITIES

13.1. The Corporation undertakes not to engage or invest in the following:

13.1.1. equities or shares issued by any corporation;

13.1.2. hedge funds or funds of hedge funds;

13.1.3. fixed-income instruments rated below A- by S&P or Fitch Ratings, A3 by Moody's or A-low by DBRS;

13.1.4. derivatives or any instruments that have derivative holdings or features;

13.1.5. non-marketable securities;

13.1.6. commodities;

13.1.7. repurchase agreements against securities which are not permitted to be held in the portfolio;

13.1.8. margin transactions or any form of leveraging; and

13.1.9. securities that are not denominated in Canadian Dollars.

14. DIVERSIFICATION POLICY AND ASSET ALLOCATION STRATEGY

14.1. Investment will be diversified to prevent adverse effects of any given investment from unduly penalizing the overall portfolio performance. Diversification is interpreted to include different types, characteristics, and numbers of investments.

14.2. Asset allocation – The portfolio shall usually be structured with the following guidelines:

Asset Class	**Minimum**	**Maximum**
Short Term	0 %	100 %
Bonds • Canada's (including securities guaranteed by the Government of Canada) • Provincial's • Corporate	 - % - % - %	 100 % 100 % 50 %

15. LENDING OF CASH OR SECURITIES

Lending of cash or securities is not allowed under the present policy.

16. RELEVANT DOCUMENTS

Contribution Agreement – B2019
Contribution Agreement – B2021
Contribution Agreement - Strategic Science Fund
Contribution Agreement - Canadian Genomics Strategy (coming)

17. VERSIONS

September 8, 2011; November 2013; December 11, 2014; March 17, 2016 re-confirmed & reorganized; November 25, 2020 re-confirmed; March 21, 2023 re-confirmed; December 14, 2023 re-confirmed; September 2024 re-confirmed.