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MARONDERA UNIVERSITY
OF AGRICULTURAL SCIENCES AND TECHNOLOGY

INVESTMENT POLICY

POLICY NO. INP/31/26

1. PURPOSE

The Investment Policy for Marondera University of Agricultural Sciences and Technology provides guidelines within which the University's short-term investment portfolio is to be effectively and ethically maintained, managed and enhanced.

2. SCOPE

This policy applies to the investment of short-term funds held by the University. Investment of employees' retirement funds, deferred compensation plans, and funds held and invested by trustees and specific funds are not covered by this policy.

3. OBJECTIVES

The priority of investment objectives shall be safety, liquidity and yield.

3.1 Safety of Principal

Safety of the principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of the capital in the overall portfolio.

The objective will be to mitigate credit risk and interest rate risk.

3.1.1 Credit Risk is the risk of loss due to the financial failure by financial institutions in which the University funds are invested. The University will minimize credit risk by the following measures;

3.1.1.1 Limiting exposure to institutions with poor credit ratings and concentrating the investments in the safest types of securities.

3.1.1.2 Pre-qualifying the financial institutions, with which the University will do business.

3.1.1.3 Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

3.1.1.4 Actively monitoring the investment portfolio holdings for changing economic/ market conditions.

3.1.2 Interest Rate Risk

The University will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by;

3.1.2.1 Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding calling back securities before maturity.

3.1.2.2 Investing operating funds primarily in shorter-term securities or short-term investment pools.

3.2 Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands.

3.3 Yield

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. Securities shall not be called back prior to maturity with the following exception: -

3.3.1 A security with a declining credit may be called back early to minimize loss of principal.

3.4 Legality

The investment portfolio shall conform to the Reserve Bank of Zimbabwe regulations, Zimbabwe Stock Exchange regulations, Securities Commission rules and other legal requirements.

4. STANDARDS OF CARE

4.1 Prudence

Investments shall be made with due care and prudence after considering all circumstance that may result in the University losing the Capital.

4.2 Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose in writing to the Bursar any material interests in financial institutions that conduct business with the University. They shall further disclose in writing annually to the Bursar any personal financial/ investment positions that could be related to the performance of the investment portfolio. Employees, officers and their families shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the University. Members of the Finance Committee shall also be required to disclose their interest in financial institutions that conduct or want to conduct business with the University.

4.3 Delegation of Authority

The ultimate responsibility and authority for the investment of University funds resides with the University Council. The University hereby designates

the Bursar as the Custodial Officer for the University's funds. The Custodial Officer shall be responsible for the operation of the investment program with the approval of the Vice Chancellor.

The Custodial Officer may further delegate, by position title, the authority to invest University funds to additional University Finance personnel. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Bursar. The Bursar shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

5. AUTHORISED FINANCIAL DEALERS AND INSTITUTIONS:

Financial institutions to provide investment services shall be approved by the Finance Committee and a record thereof maintained by the Bursar.

All financial institutions who desire to be considered for investment purposes shall provide the following in writing, as appropriate.

- 5.1 Audited financial statements
- 5.2 Registration certificate
- 5.3 Certification of having read and understood the University's Investment Policy
- 5.4 Certification of agreement to comply with the University's Investment Policy.
- 5.5 Tax clearance

6. INTERNAL CONTROLS

The Custodial Officer shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points

- 6.1 Control of collusion.
- 6.2 Separation of transaction authority from accounting and record keeping.
- 6.3 Clear delegation of authority to subordinate staff members.
- 6.4 Written confirmation of transactions for investments and transfer of funds.

7. SUITABLE AND AUTHORISED INVESTMENTS

The following investment securities shall be permitted by this policy: -

- 7.1 Treasury Bills.

7.2 Securities of Government Agencies and Government Sponsored Enterprises.

7.3 Bankers' Acceptances.

8. INVESTMENT PARAMETERS

8.1 Diversification

The investments shall be diversified by: -

- 8.1.1 Avoiding investing a significant amount of money in one financial institution.
- 8.1.2 Avoiding investment in securities that have high credit risks,
- 8.1.3 Avoiding investment with high interest rate risk
- 8.1.4 Investing in securities with varying maturities.

9. LIQUIDITY REQUIREMENTS AND MATURITY LIMITS

The University shall attempt to match its investments with anticipated future cash flow requirements and known future liabilities. The University may only invest in securities with a tenor not exceeding ninety days unless otherwise permitted by the Finance Committee.

10. POLICY REVIEW

The Investment Policy shall be subject to review by the Finance Committee

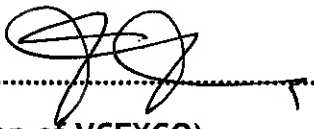
3.1 Compliance with University Policy

3.1.1 This policy is informed by the relevant Standard Operating Procedures and Guidelines.

3.1.2 Failure to comply with the policy is an act of misconduct which is subject to disciplinary action.

3.2 Monitoring and Review of the Policy

Policies are subject to review after every 4years.

Approved.......... Date.....05/06/26.....
(Chairperson of VCEXCO)

Approved.......... Date.....23/06/26.....
(Chairperson of Senate)