

Investment Planning Checklist

What you need to get started:

- **Identify the investment team within your organization** – A key component to integrated investment planning is to engage the right people early in the process. Investment planning could include individuals in audit, procurement, risk management and other departments. Your team could include Property Managers, Service Managers, Board Members or any of the people involved in developing your Building Condition Assessment.
- **Clarify Accountability** – this responsibility may sit with the Board of Directors, property manager or other individuals within your finance department.
- **Promote Integration** – your investment plan should directly support your organization’s strategic plan (if there is one in place) and function as one element of your organizations’ overall corporate strategy.
- **Utilize your most recent Building Condition Assessment (BCA) and Capital Plan** – A BCA informs your capital plan, which tracks and manages long-term capital project requirements.
- **As for help if you need it** – Ontario’s Housing Services Corporation or the Co-Operative Housing Federation of Canada have the tools and resources to help with a BCA or capital plan.

Identify Your Investment Objectives:

- **Identify your short and long-term capital investment requirements, including timing** – Your capital plan should set out when major expenditures will occur and prepare for these large withdrawals (typically more than 30% from the reserve).
- **Undertake contingency planning** – Assess your organization’s ability to take on risk i.e., do you have enough funds set aside for emergency situations or unexpected repairs?
- **Identify your organization’s risk tolerance**
 - Encasa Advisors can walk you through model portfolios that illustrate potential gains in different risk scenarios. Advisors can also meet with your Board of Directors to explain different scenarios and answer any questions they may have.

Define target asset allocation that is aligned with your needs:

- **Match the time horizon of large expenditures to the time horizon of your investments:**
 - Longer-term investments offer higher reward for their higher level of risk. For example, if a roof that will likely need repairing in 7-10 years, the funds allocated for these repairs may be best suited for the longer-term nature of stocks/equities.
 - Expenditures that are expected to occur sooner are generally better-suited for bond funds as bonds are generally less volatile than equities.

Refine Your Investment Strategy:

- **Portfolio Diversification** – don't put all your (investing) eggs in one basket!
 - Diversification means holding various types of investments in your portfolio, thereby reducing the risk of any one investment underperforming and causing serious impairment to your portfolio.
- **Rebalancing** – while it is important to adhere to your plan, regular monitoring is key.
 - Review your plan periodically to confirm it is still in line with your long-term goals. This process can be completed at predetermined time intervals (i.e. quarterly/annually) or when the asset classes diverge by a set percentage from the target asset allocation.
 - The allocation in your portfolio shifts over time with the performance of the underlying investments. For example, investments that have done well will become a larger part of your total portfolio, causing an imbalance to the target allocation in your original plan.

Implementing Your Investment Strategy:

- **Once you've developed a solid investment plan, your focus should be on following it.**
- **Expect significant volatilities from time to time** – Markets go up and markets go down; the key is how you react.
 - Adhering to your plan during uncertainty ensures that your plan remains on course. If your investment plan is built correctly, market volatility has already been taken into account and you will be able to weather the storm simply by

holding tight. Sticking to your long-term plan will ensure you remain invested when the market begins to rally.

- **Monitor and review** – your investment team should periodically review the investment plan to ensure that it remains appropriate. As the estimated amount and timing of capital needs change over time, it may be advisable to modify the plan. Many organizations schedule a formal annual review of their investment plan in order to make sure that it remains suitable over time.

Help With Investment Planning

- **If you don't have an investment professional that your organizations works with, consider finding one you trust.**

Need Advice? Encasa Investment Funds Advisors can provide professional advice to help you to develop your investment plan and recommend any steps you can take to grow your wealth. Whether you'd like help getting started and working through scenarios, or simply a second look at your organization's existing plan, Encasa Fund Advisors are available to provide unbiased advice.

Contact us today at information@encasa.ca



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