INVESTMENT POLICY

PURPOSES OF FINANCIAL RESERVES

1 To ensure the Foundation can cover administrative and operating costs

The Foundation depends on earning a surplus on sponsorship and on investment income to cover any deficit. Both these sources are unpredictable and can be highly variable, moreover total dependence on sponsorship could on occasion weaken the Foundation's independent position.

2 To assure the Foundation's position of independence, and freedom and responsiveness of action

It is important for the Foundation to be able to organise events which deal with controversial issues, which fail to attract sponsorship or for which sponsorship is intentionally eschewed or which are unexpectedly significant and merit rapid attention. It is equally important that the Foundation is not beholden to any pressure group or other body by reason of its dependence on their financial support. Sufficient financial resources are required for the Trustee Board to maintain such independence.

3 To provide financial headroom for the Foundation to develop its activities for future as well as current members

The Foundation operates with minimal staff. The current programme absorbs all of the Chief Executive's time and any significant developments would call for the commitment of resources to cover extra staff and facilities. Such initiatives might take a year or two to become self-financing and the Foundation could not undertake them unless it could absorb the risk of failure without prejudice to the above purposes. The Foundation serves its members and the wider community; the management of reserves should recognise that future members may wish to pursue new initiatives or priorities and should not unduly restrict such possibilities.

4 To provide reassurance for suppliers

Adequate reserves enable the Foundation to commit itself to activities such as booking event facilities and maintain confidence in its credit worthiness.

OBJECTIVES

1 Each year The Foundation aims to break even after unrealised gains (or losses) of equity holdings.

2 If this target is not achieved reserves are drawn down. Sufficient cash and liquid funds should be in place to cover one year of total expenditure to allow time to increase revenue and decrease expenditure.

3 To generate investment income and capital gains to fund Foundation activities, while growing reserves to keep pace with inflation.

INVESTMENT GUIDELINES

1 The investment portfolio should be suitably diversified to mitigate risk, commensurate with the charitable status of the Foundation.

2 The maximum invested in any one commercial bank or building society should not exceed the limit of the savings guarantee of the Financial Services Compensation Scheme (FSCS) except for short periods to meet operational requirements.

3 Working capital in immediate access accounts including cash held by the payroll provider should not normally exceed £120,000.

4 Remaining funds, which are expected to be held for five years or more, are invested in a diversified portfolio of investment funds in line with an agreed risk level. The balance between UK/World, sectors and specific funds should be reviewed regularly by the Trustee Board.

Trustee Board

2nd May, 2018