

Amersham United Charities - Investment Policy

1. Purpose

This Investment Policy has been written for Amersham United Charities to ensure that investments are made in accordance with the Board's agreed investment objectives, and to comply with the Charity's Governance Code.

2. Introduction

The Board take the view, both corporately and relevant trustees individually, that the financial objective of its investments is to generate a sustainable return to help deliver the objects of the Charity.

The Board has agreed that an appropriate sum from general cash reserves should be invested to provide such a return, and that the sums used for the Maintenance Works and the Capital Works should be invested appropriately until required.

3. Investment Objective

3.1 The overall investment objective is to produce best financial return with an acceptable level of risk.

3.2 In the case of general cash reserves the objective is to produce a reasonable level of income while minimising the risk of capital losses.

3.3 In the case of the Maintenance Works the objective is to maintain a low risk sum to enable regular maintenance (such as replacement of kitchens and bathrooms) to be undertaken as they become due.

3.4 In the case of the Capital Works the aim is to maximise capital growth including re-investment of income, and is used for major future expenditure.

3.5 Investments are generally for the long term and the Board will ensure that its ability to meet future planned expenditure is not compromised by over-investment.

3.6 An appropriate balance between investments and borrowings should be maintained when the Charity has long term loans.

4. Risk

4.1 The Board has considered the following risks and mitigations.

- inflation and fall in capital values mitigated through investment in appreciating assets or fixed deposit accounts
- fall in value or failure of specific investment vehicles mitigated by diversification of assets and investment portfolios

5. Liquidity

The Board will retain in easily realisable assets sufficient to meet its short-term expenditure plans over at least 6 months.

6. Ethics

The Board will not knowingly, directly or indirectly, invest in:

- the tobacco industry
- armaments
- gambling
- pornography
- and other industries as specified by the trustees

7. Management, Reporting and Monitoring

7.1 All investment decisions will be made by the Board.

7.2 Performance is monitored and reported against annual rate of growth and inflation.

8. Review

The Board will review the contents of, and compliance with, this Investment Policy on an annual basis.

9. Approval

This Investment Policy has been approved for issue by the Board of Amersham United Charities.

Final 31 January 2019