

Finance Delegation and Control - Investments

Approved by Council

Date: January 2016

Review:

October 2017

Scope

This procedure sets out the guidelines for the financial delegation and control of the Society's investments necessary to ensure that The Society complies fully with the requirements of the Charities Act 2011.

1. Procedures

- 1.1 The Society may deposit or invest funds in any manner but will do so only after obtaining advice from an approved investment advisory service (referred to as the financial expert) and having regard to the suitability of the investments and the need for diversification.
- 1.2 The Society may arrange for its investments to be held in the name of a nominee (being an appropriate corporate body registered or having an established place of business in England and Wales) under the control of the Trustees or of the financial expert acting under their instructions and to pay any reasonable fee required.
- 1.3 The Society may delegate the management of investments to the financial expert and approve a formal investment policy. The current Investment Policy is attached as Appendix 1
- 1.4 The performance of the investments is reviewed at least annually with the Trustees.
- 1.5 The investment policy and delegation arrangements are reviewed annually.
- 1.6 The Trustees are entitled to cancel the delegated arrangements at any time.
- 1.7 All payments due to the financial expert are on a scale, or at a level, which is agreed in advance and are notified promptly to Trustees.
- 1.8 The financial expert may not do anything outside the powers of the Trustees.
- 1.9 The Society may appoint an Investment Committee to liaise with the financial expert. The Committee shall consist of the Honorary Treasurer (who will act as Chair) and at least three other suitably experienced members of the Society. The President, the Director General and the Finance Manager shall be *ex officio* members of the Investment Committee.
- 1.10 The Society will execute nomination forms for the appointment of the Investment Committee as required by the financial expert.

2 . Financial Advisers

The Society's current financial expert is Brewin Dolphin Ltd



Investment Policy

MP017
Appendix to FP002

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Date June 2015

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The Royal Photographic Society of Great Britain

Charity Registration Number: 1107831

Date of Investment Policy Statement: 16th June 2015

1. Introduction

1.1 The Royal Photographic Society was established on 20th January 1853 and exists to promote photography and image-making and to support photographers in realising their potential, irrespective of their level of knowledge, equipment or skills. It has an international membership. The Society also acts as a public advocate for photography and photographers. The Royal Photographic Society of Great Britain is a registered charity incorporated by Royal Charter.

1.2 The financial objective of The Society is to at least maintain the real value of the assets whilst generating a stable and sustainable return to support The Society's operations and services to members.

1.3 The Society has some £5million of investment assets.

1.4 The trustees of The Society have delegated decision making on investment matters to an Investment Committee.

2. Investment Objectives

2.1 The Society seeks to produce the best financial return within an acceptable level of risk.

2.2 The investment objective is to generate a total return in excess of inflation, measured by RPI+4% per annum over the long term, after expenses. This should allow The Society to at least maintain the real value of the assets and to use the income generated from them to support The Society's charitable aims and services to members.

2.3 The Society adopts a total return approach to investment, generating the investment return from a balance of income and capital gains or losses. It is expected that if in any one year the total return is insufficient to meet the budgeted income requirements, in the long term the real value of The Society will still be maintained in accordance with the investment objective above.

3. Risk

3.1 Attitude to risk

The Society relies on the investment return to support its services to members. The key risk to the long term sustainability of The Society is inflation, and the assets must be invested to mitigate this risk over the long term on a medium risk basis. The trustees understand that this is likely to mean that investment will be concentrated in real assets and that the capital value may fluctuate.

3.2 Assets

The Society's assets can be invested widely and should be diversified by asset class, by market, by manager and by security. Asset classes could include cash, bonds, equities, property, structured products, private equity, commodities and any other asset that is deemed suitable for The Society, but excluding direct investment in hedge funds and financial derivatives. The investment committee are charged with agreeing a suitable asset allocation strategy with the investment managers, which is set so as to achieve the overall investment objective. The current policy is to use the WM Total Charity benchmark for allocation and performance measurement purposes.

3.3 Currency

The base currency of the investment portfolio is Sterling. Investment may be made in non-Sterling assets, but should not exceed 40% of the total investment portfolio value.

4. Liquidity Requirements

4.1 The Society seeks an annual income return before inflation of £150,000 to £170,000 to support services to members.

4.2 The trustees may specify that specific sums set aside for specific projects should be invested in assets that can be realised within three months with minimal or no penalties.

5. Time Horizon

5.1 The Society is expected to exist in perpetuity and investments should be managed to meet the investment objective and ensure this sustainability.

5.2 The Society can adopt a long term investment time horizon.

6. Ethical Investment Policy

6.1 The Society assets should be invested in line with its aims. The trustees do not wish to adopt an exclusionary policy, but individual investments may be excluded if perceived to conflict with The Society's purpose.

7. Management, Reporting and Monitoring

7.1 The Society has appointed Brewin Dolphin Ltd of 12 Smithfield Street, London to manage the assets (excluding the direct property) on a discretionary basis in line with this policy. The investment manager provides safe custody of assets. The company is required to produce a valuation and performance report quarterly. The Society has nominated a list of authorised signatories, two of which are required to sign instructions to the investment manager.

7.2 The investment committee has responsibility for agreeing strategy and monitoring the investment assets. The committee meets six monthly to review the portfolio, including an analysis of return, risk and asset allocation. Performance will be monitored against agreed market benchmarks, and against the investment objective of RPI+4% over the long term. The investment manager is required to present to the investment committee on a six monthly basis.

7.3 The investment committee is to report formally to the full trustee board on at least an annual basis or when asked to do so by a resolution of a Trustees meeting. This report should include a review of asset allocation strategy, performance, risk profile and consistency with long term investment objective.

8. Approval and Review

This Investment Policy Statement was prepared by the investment committee of The Royal Photographic Society of Great Britain to provide a framework for the management of its investment assets. It will be reviewed on an annual basis

Approved by Council

Signed **G. Blackwell**

(Hon. Treasurer and Trustee)

Dated 16th June 2015