

Investment Policy

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Contents

1. Introduction	3
2. Investment Objectives	3
3. Risk	3
4. Liquidity Requirements.....	4
5. Management, Reporting and Monitoring.....	4

1. Introduction

Royal Osteoporosis Society (the charity) is a charitable company limited by guarantee. The charity's main objectives are:

- to relieve sickness and to promote and advance medical knowledge, with particular reference to all aspects of osteoporosis and all similar and related conditions;
- to undertake research in relation thereto, and to publish the useful results of such research.

The charity does this by raising money to fund scientific research on treatments and to provide services and support to people affected by the disease.

The charity has a Reserves Policy in place that defines the process of reviewing the charity's risks and the reserves required to mitigate the risks. The Reserves Policy outlines two levels of freely available general funds: a minimal level below which reserves should not fall of £1m and an additional recommended range of £1.5m to £2.5m.

The Board of the charity have delegated investment decisions to the Finance, General Purposes and Audit committee (FGP&A). Investment management is delegated to an authorised professional investment manager, regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

2. Investment Objectives

The charity seeks to produce the best financial return within an acceptable level of risk. The charity has invested in a multi-asset class diversified fund with a low to medium risk profile.

The long term investment objective is for a bank deposit return + 3% over a five year period. The investment performance is benchmarked against the ARC Peer Group (Balanced) benchmark and the investment manager's own in-house UK Balanced benchmark.

3. Risk

The charity accepts a low to medium level of risk. This balances the need to generate income from investments in the short term with the requirement for longer term growth in the value of the portfolio.

Risk is managed by investing in a multi-asset class diversified fund that is overseen by an authorised professional investment manager.

4. Liquidity Requirements

A proportion of income generated from the investment fund is transferred into the charity's bank account on a monthly basis.

In order to deal with fluctuations in reserves and therefore liquidity requirements, over 90% of the investment fund can be released within five working days if required. However, the usual intention in investing funds is to deposit them for longer term capital growth rather than for shorter term liquidity requirements.

5. Management, Reporting and Monitoring

The charity has appointed a professional investment management firm to manage the investment portfolio. The charity has nominated a list of authorised signatories, two of which are required to sign any instructions to the investment manager.

The Investment Manager provides a quarterly investment report, detailing the valuation of investments, portfolio analysis, performance summary and commentary relating to the charity's investments.

The FGP&A have responsibility for agreeing strategy and monitoring the investment portfolio. The committee reviews the information provided by the investment manager each quarter.

The investment manager is required to present in person to the FGP&A committee annually. The FGP&A reports on the investment portfolio management performance to the Board of Trustees at least annually.

The long term investment objective is for a bank deposit return + 3% over a five year period. Performance of the investment portfolio is benchmarked against the ARC Peer Group (Balanced) benchmark and the investment manager's own in-house UK Balanced benchmark.

The role of the investment manager is subject to regular market testing to ensure it is still appropriate. The investment manager is appointed by the Board of Trustees on the recommendation of the FGP&A.