

Terms of Reference for the Investment Committee

1. Purpose and objectives

- 1.1 The committee's role is one of strategic direction and oversight of the Society's investment assets.
- 1.2 The investment portfolio represents an important asset for the Society. There are currently three sub-components to the investment portfolio comprising short-term reserves, a reserves overflow and long-term reserves. The committee fulfils an essential role in the long term stewardship of these assets in order to best further the aims of the Society.
- 1.3 The committee is established to determine, implement and review an investment strategy to deliver the Society's agreed investment objectives as follows:
 - to at least maintain the real value of the investment portfolio over the long term;
 - to ensure that the investment portfolio is managed in accordance with the Society's statement of investment principles; and
 - to ensure that the overall blended portfolio remains within an appropriate level of risk as defined in the statement of investment principles (acknowledging that certain elements of the investment portfolio will differ in risk level when viewed in isolation).
- 1.4 The committee is responsible for establishing a detailed statement of investment principles and investment policies, within the powers conferred under the Society's governing documents and relevant legislation and guidance. This will be established in the context of the Society's overall strategy to fulfil its charitable aims.
- 1.5 The statement of investment principles and investment policies will set out the investment objectives, risk tolerance, liquidity requirements, time horizon, responsible investment policy and operational arrangements for implementation, monitoring and reporting.

2. Role and responsibility

Review investment policy

- 2.1 Draft, review, revise and recommend to the Board of Trustees for their approval the charity's written statement of investment principles and investment policies including its treasury and responsible investment policy.

Assess investment strategy and risk

- 2.2 Review and agree the long term investment strategy to meet the investment objectives set out in the written statement of investment principles and investment policies.

Select investment advisers

- 2.3 Recommend to the Board of Trustees the appointment or termination of investment adviser(s) where appropriate.
- 2.4 Recommend to the Board of Trustees the appointment or termination of investment manager(s)
- 2.5 Agree the terms of the appointment of investment adviser(s) and manager(s); including level of portfolio management discretion, custody and dealing arrangements, and fees.
- 2.6 Set and review with the investment manager(s) appropriate investment mandates ensuring consistency with the written investment policies and long term investment strategy.

Monitor and evaluate investment performance, service and cost

- 2.7 Monitor the long term performance of the investment portfolio against the investment objectives, ensuring compliance with the written investment policy.
- 2.8 Establish appropriate performance benchmarks for the investment managers and monitor and evaluate performance over relevant time horizons.
- 2.9 Periodically review the fees paid and appraise value for money.
- 2.10 Monitor the liquidity to ensure that the spending commitments can be met.

3. Authority

- 3.1 The Board of Trustees' express approval shall be required for the following:
- changes to the written investment policy, including the overall financial objective and responsible investment policy;
 - appointments to the committee;

- termination or appointment of investment adviser(s) or manager(s); and
- changes to these terms of reference.

4. Membership

- 4.1 The committee shall consist of the Treasurer and Deputy Treasurer (by virtue of their office), as well as one other Trustee and up to two co-opted members with relevant expertise appointed by the Board.
- 4.2 Committee members are selected using a skills assessment. Members will be offered ongoing training and support to ensure skills and relevant knowledge are up to date.
- 4.3 The committee shall comprise of no more than five members.
- 4.4 The quorum shall be two Trustee members and one co-opted member.

5. Chair of the Committee

- 5.1 The Treasurer shall act as the Chair of the Committee.

6. Executive support

- 6.1 The Finance, IT and Planning Director and/or the Group Financial Controller will attend committee meetings.
- 6.2 The Finance, IT and Planning Director (or their designate) will act as Secretary to the committee.

7. Meetings

- 7.1 Meetings may be convened at the request of any member of the Committee or by the Finance, IT and Planning Director.
- 7.2 The investment adviser(s) and/or investment manager(s) may attend meetings by invitation.
- 7.3 Meetings may be held in person or by electronic means.

8. Minutes and reporting

- 8.1 Minutes of the committee's meetings will be available to the Board of Trustees and the committee will table recommendations to the Board of Trustees on a routine basis, and will make an annual report to the Board.
- 8.2 The committee relies on the reports provided by management and the investment advisers in order to carry out its responsibilities and duties.

9. Evaluating performance

- 9.1 The committee will evaluate its own performance, collectively and individually, on a regular basis.
- 9.2 Key objectives for the committee will be agreed and if necessary the terms of reference will be updated, with approval from the Board of Trustees.
