

highlights

rural touring scheme

Investment Policy

Updated 2023
Due for Review 2024

Signed:

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HIGHLIGHTS' INVESTMENT POLICY

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1. Introduction

1.1 Highlights Productions is an incorporated charity, whose purpose is to advance the education of the public in the practice and appreciation of the arts especially in the counties of Durham, Northumberland and Cumbria (the “area of benefit”), in particular but not exclusively through the provision of a rural arts service

1.2 Highlights has annual income from grants, fund raising, and box office income. Annual expenditure is c£280K. The Charity's reserve policy is to hold six months of planned expenditure as reserves to ensure continued financial security and to provide for contingencies. The Board have agreed to maintain free reserves of a minimum of £85,000 (Reserves Policy updated October 2022)

1.3 Highlights has approximately £120k of reserves for investment. A portion of these reserves has been identified as long-term reserves (£85k), with the remainder being held as short-term reserves, to meet unanticipated cash flow needs. The long-term reserves should be invested to grow in line with inflation.

1.4 The Board of Highlights have delegated investment decisions to the finance committee.

2. Investment Objectives

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

2.2 The investment objective is to preserve the capital value with a minimum level of risk. Assets should be readily available to meet unanticipated cash flow requirements.

3. Risk

3.1 Attitude to risk

The key risk to the reserves is inflation, and the assets should be invested to mitigate this risk over the long term.

The reserves are held to provide financial security and may be required at short notice. As such capital volatility cannot be tolerated and investment of these assets should be focused on minimising this.

3.2 Assets

In the event of Highlights wishing to invest in bonds, equities, property, hedge funds, structured products, private equity, commodities, they would seek to employ an authorised professional investment manager, regulated by the FSA.

3.3 Currency

The base currency of the investment portfolio is Sterling.

4. Liquidity Requirements

Due to the nature of the organisation, the board wish to keep at least 60% of the reserves in investments that can be realised within three months. All of the short term reserves should be realisable within one month.

5. Ethical Investment Guidelines

5.1 The Charity has adopted ethical investment guidelines to ensure that its investments do not conflict with its aims and values, including its commitment to consider the environmental impact of all its activities..

5.2 The Charity's ethical investment guidelines favour Socially Responsible Investment where ;possible and preclude direct investment in companies that generate revenues from arms trade, fossil fuels, gambling or tobacco.

6. Management, Reporting and Monitoring

6.1 The Charity has nominated a list of authorised signatories, two of which are required to sign instructions to authorise transactions.

6.2 On a quarterly basis, the General Manager will provide a valuation of investments and transaction report .

6.3 The Board of Trustees have responsibility for agreeing strategy and monitoring the investment assets. The board will review the information provided by the General Manager at each quarterly meeting.

7. Approval and Review

This Investment Policy Statement will be reviewed on an annual basis to ensure continuing appropriateness.