



# THE WHITE EAGLE LODGE

## INVESTMENT POLICY OF THE WHITE EAGLE LODGE

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#### **1) Purpose of the Investment Policy Statement**

The investment policy sets forth the process that the White Eagle Lodge (WEL) has adopted to make investment decisions with regard to its long-term assets. This policy identifies the investment goals and objectives of these monies; sets out the decision-making process for selecting investment managers and specifies the procedures together with the relevant measurement indexes to be used in assessing ongoing investment performance. The investment objectives and goals will be used as the basis for evaluating future investment performance and reviewed annually by the investment committee.

#### **2) Policy Decision**

The Charity has set up an investment committee, appointed an investment adviser to assist the investment committee in making decisions and co-ordinated the appointment of an investment manager to manage the monies on a discretionary basis.

#### **3) Roles, Responsibilities and Procedures**

The Investment Committee – The investment committee represents the Charity and is comprised of the persons to whom the Trustees have delegated the responsibility to oversee all decisions concerning selection and retention of the investments. The committee will have the authority to both select and appoint fund managers and advisers. Investment policy, the appointment of investment managers, performance analysis and investment monitoring, may be, but need not be, based on the recommendations of an investment adviser engaged to advise the investment committee on such matters.

Investment Adviser(s) – An investment adviser to be appointed to assist the investment committee in the overall supervision of the investments. In this role, the investment adviser will offer resources for additional due diligence as well as independent third-party analysis; work with the investment committee to understand the needs of the charity and help to ensure the investment proposition is suitable for the Charity. More specifically the investment adviser may offer guidance and recommendations to the Investment Committee in the selection and retention of a third-party fund manager where applicable and assist in the periodic monitoring of fund performance.

Investment Manager – An investment manager from a reputable and credible investment house to whom the Investment Committee delegates the fiduciary day to day responsibilities for investing and managing the assets in accordance with this policy statement.

#### **4) Records**

The Investment Committee shall create and maintain records of all decisions relating to the choice and ongoing monitoring of the investment funds. Minutes shall be taken of all formal meetings, attendees, matters discussed and decisions reached. The minutes shall document investigations, facts and the reasoning that went into the making of such decisions and retain records of any supporting documentation.

#### **5) Investment Philosophy, Objectives and Goals**

The investments will be selected from a wide range of asset classes so as to allow for diversification and to cover a broad spectrum of risk/return in order to maximise the performance with a reasonable or balanced level of risk. Whilst maintaining the fiduciary duties to the WEL the investment manager has the freedom to purchase individual shares or collective investment funds and allocate the monies on a discretionary basis in order to provide long term growth.

The primary investment objective is to grow the real value of the portfolio by the Consumer Prices Index (CPI) +4% per annum, over rolling periods of 3 to 5 years. There is a requirement for the invested funds to provide a minimum income of £300,000 per annum, to be distributed to the Charity on a quarterly basis. The Charity however recognises markets do rise and fall and will monitor the investment performance against the MSCI WMA Private Investor Balanced Index <https://www.msci.com/documents/1296102/7573199/WMA+PRIVATE+INVESTOR+BALANCED.pdf/8f290b55-fb73-4d3b-a7bb-7804bfc1ed5> or other suitable index and for additional guidance, the:

- MSCI UK IMI Index <https://www.msci.com/documents/10199/07fd3159-d773-c186-c610-12b033480b35#:~:text=The%20index%20is%20based%20on,and%20style%20segments%20and%20combinations.> and
- MSCI World Index <https://www.msci.com/documents/10199/149ed7bc-316e-4b4c-8ea4-43fcb5bd6523>

These benchmarks, together with any proposed by the investment manager, will inform the investment committee of the relative quality of the investment manager.

The quantum and exposure to 'Hedge' or complicated investment instruments should be limited to 'low risk' mandates and a small proportion (5% to 10%) of the portfolio.

The Charity endeavours to adopt a Socially Responsible Investment approach to be reflected in the underlying investment portfolio. Whilst this should follow a pragmatic or best of sector approach the Charity chooses to exclude investment in companies with a significant or direct involvement in these areas:

- tobacco,
- gambling,
- arms manufacture and retailing,
- production and distribution of pornography (no investment in companies where this represents more than 5% of turnover),
- companies that use animals for the testing, discovery or the manufacture of healthcare or other products,
- companies involved in factory farming, the use of fur and the production of meat,
- the production of violent video/computer games (accounting for more than 10% of revenues)

Whilst the Charity recognises the needs of a modern economy and the requirement for basic commodities such as iron and oil, they wish to support only those companies considered to be the best in these sectors with regard to the environmental impact of their activities.

Where the data exists, the Charity wishes to avoid companies that are involved in the large-scale production of palm oil and deforestation.

However, the Charity would actively like to support activities that encourage employment, recycling & sustainable waste management, renewable energy & green technology, safety and protection, training and educational activities and the applications of sustainable practices.

The fund manager and the investment manager should report annually upon the impact of this Socially Responsible Investment policy on investment performance, and how this could be modified or reviewed. The investment manager should also take this into account when utilising collective funds, however the Charity recognises this will not always be possible.

## **6) Selection and Monitoring of Investments**

When selecting an investment manager the Investment Committee should consider the following: the investment manager's ability and understanding of the objectives and goals of the charity; the likely volatility of the portfolio; the manager's ability to make decisions and adjust the mix of the portfolio as investment conditions change over time, as well as the competitiveness of the manager in regard to fees and the impact of underlying collective investments fees that may be included in the portfolio.

The Investment Committee will give consideration to the investment company's size, structure and history; management profile; past performance and investment philosophy; staff experience and depth of research capabilities.

The Investment Committee shall evaluate the performance of the existing investment at least annually with comparisons against the relevant indexes. The investment adviser should report twice annually and indicate whether there are any concerns or action that should be taken by the Charity. If the relative performance of the portfolio disappoints consideration should be given after three years to review the investment manager but every five years routinely. This does not prevent the Trustees from having the ability to revoke any arrangements with the investment manager should they take a decision to do so. Every three years the Investment Committee should consider risk and the Socially Responsible Investment approach.

## **7) Additional Guidelines**

For clarity this investment policy only applies to those monies the charity has designated as medium to long term funds. This policy does not apply to cash held on deposit for working capital or day to day cash flow needs.

## 8) Review, Revision and Adoption of the Investment Policy Statement

The investment committee can make recommendations to the Trustees to amend this policy statement, at any time, as it deems necessary.

This investment policy statement as approved by the Trustees of WEL has been adopted as of this First day of November 2021.

Signature \_\_\_\_\_  \_\_\_\_\_

Name \_\_\_\_\_ Jason Wilson                      Position:     Trustee

Policy Date	Summary of change	Author	Implementation Date	Review Date
July 2014	Policy written, consulted upon and adopted	Jason Wilson with advice from Holden & Pttrs	July 2014	Annually
1 March 2019	Policy wording reviewed and updated following a trustee review of ethical investment criteria	Jason Wilson	1 April 2019	November 2020
19 March 2019	Revision of investment goal using CPI as the inflation index. Changes to reflect change in name of benchmarking index. Various minor text changes	Jason Wilson with advice from Holden & Pttrs	1 April 2019	November 2020
28 June 2020	Revision of investment objective	Jason Wilson	6 July 2020	November 2020
29 Oct 2021	Revision of pornography clause, investment exclusion criteria	Jason Wilson	1 November 2021	November 2022

