



Cymdeithas Eryri - Snowdonia Society

Investment Policy Statement

Charity Registration Number: 1155401

Date of Investment Policy Statement: 21 August 2017

1. Introduction

1.1 The Snowdonia Society (henceforth 'The Charity') is an incorporated member-based charity, whose purpose is to protect and enhance the beauty and special qualities of Snowdonia and to promote their enjoyment in the interests of all who live in, work in or visit the area both now and in the future. The Charity has worked with local communities, organisations, businesses and individuals to achieve this vision since 1967.

1.2 The Charity has annual income from fund raising, corporate partnerships of c. £130,000 (2015/16) excluding legacies. Annual expenditure is c. £130,000 (2015/16). This has not varied in recent years. The Charity's reserve policy is to hold four to six months of planned expenditure as reserves to ensure continued financial security and to provide for contingencies.

1.3 The Charity has approximately £460,000 of reserves for investment, excluding Heritage assets of £285,000. A portion of these reserves has been identified as long-term reserves [LTR] (£400,000), with the remainder being held as short-term reserves [STR] to meet unanticipated cash flow needs. The LTR should be invested to grow at least in line with inflation, the STR should be invested emphasising certainty of value.

1.4 The Trustees of The Charity have delegated investment decisions to the Finance Sub-Committee. Investment management is delegated to an authorised professional investment manager, regulated by the FCA.

1.5 The assets of the Charity must be invested in accordance with the governing instrument and the Trustee Act 2000.

2. Investment Objectives of Long-Term and Short-Term Reserves

2.1 The Charity seeks to produce the best financial return within an acceptable level of risk. As of 2017, the objective of the LTR portfolio is to produce a total return by way of a Balanced return between income and capital growth using a Moderate level of risk.

2.2 This investment objective is expected to at least generate a return in excess of inflation over the long-term.

2.3 The investment objective for the STR 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 Charity is reliant on fund raising, grants and donations for its activities. Investment assets are held as reserves with income reinvested.

The key risk to the LTR is inflation, and the assets should be invested to mitigate this risk. The trustees understand that this is likely to mean that investments will be concentrated in real assets and that the capital value will fluctuate.

The STR 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 LTR Assets

The Charity's LTR assets can be invested widely and should be diversified by asset class, by manager and by security. Asset classes could include cash, bonds, equities, property, hedge funds, structured products, private equity, commodities and any other asset that is deemed suitable for the Charity.

The Charity owns Ty Hyll but for the purposes of Rathbones' mandate, it will be excluded from the Asset Allocation framework below.

The Finance Committee is charged with agreeing a suitable asset allocation strategy for the LTR with the investment manager. As of 2017, the agreed parameters are shown below:

Asset Class	Initial % weight [2017]	Ranges %	Comparative Indices
Fixed Interest	14	10 - 30	FTSE Gov All Stocks Index
UK Equities	35	20 - 40	FTSE All Share Index

Overseas Equities	30	10 - 35	FTSE World (ex-UK) Index £
Diversifiers	16	10 - 20	
Cash	5	0 - 10	Bank of England base rate - 0.5%
Total	100		

3.3 Currency

The base currency of the investment portfolio is Sterling.

Within the LTR, investment may be made in non-Sterling assets, but should not exceed 20% of the total investment portfolio value.

Hedging is permitted.

STR should be held in Sterling.

3.4 Credit

The Charity's cash and STR balances should be deposited with institutions with a minimum rating of A- or invested in a diversified money market fund.

Deposits should be spread by counterparty, subject to a maximum exposure of either 25% of the total cash balance per institution, or not exceeding the Depositors Protection Scheme limit (£85,000 from January 2017).

4. Liquidity Requirements

4.1 Income from the LTR will be used to fund the Charity's activities only when there is an annual short-fall in fund raising, otherwise it will be reinvested. A target income will be agreed with the investment manager on an annual basis, to enable effective budgeting.

4.2 Due to the nature of the reserves, the board wish to keep at least 90% of the LTR in investments that can be realised within three months. All of the STR should be realisable within one month.

5. Time Horizon

5.1 The Charity has divided its reserves into those expected to be held with a long-term time horizon, this being over 10 years, and those that may be needed in the short-term, within 1 year.

6. Ethical Investment Policy

6.1 Whilst The Charity has not adopted a specific ethical investment policy, it would prefer to avoid assets that explicitly conflict with the Society's objectives.

7. Management, Reporting and Monitoring

7.1 The Charity has appointed a professional investment management firm to manage the assets on a discretionary basis, in line with this investment policy. The Charity has nominated a list of authorised signatories, two of which are required to sign instructions to the investment manager.

7.2 The manager will provide the following information on a quarterly basis: valuation of investments, transaction report, cash reconciliation, performance analysis and commentary personal to the Charity

7.3 The Finance Sub-Committee has responsibility for agreeing strategy and monitoring the investment assets. The Committee will review the information provided by the investment manager at each quarterly meeting. The investment manager will be required to present in person to the Sub-Committee on a six-monthly basis.

7.4 Performance of the LTR will be measured against inflation and agreed market indices. The return of the STR will be monitored against benchmark cash rates. The level of capital volatility will be monitored to ensure the risk profile remains appropriate for the Charity.

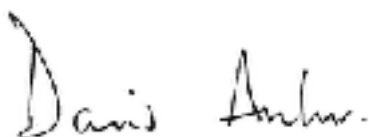
7.5 The Finance Sub-Committee may seek advice from independent sources who are deemed to have sufficient experience to support and guide them in their deliberations.

8. Approval and Review

This Investment Policy Statement was prepared by the Finance Sub-Committee and adopted by the Executive Committee of the Charity to provide a framework for the management of its reserves. It will be reviewed on an annual basis to ensure continuing appropriateness.

Approved by the Finance Sub-Committee

Signed

A handwritten signature in black ink that reads "David Archer". The signature is written in a cursive style with a large initial 'D'.

David Archer
Chairman Snowdonia Society.