



## **INSPIRE MULTI-ACADEMY TRUST**

### **Investments Policy**

Version	V1
Approved by:	Board of trustees
Approval Date:	16/12/2024
Review Frequency:	Annual

**Inclusion** – Improving education for everyone.

**Integrity** – We are consistently open, honest, ethical, and genuine.

**Initiative** – We have the courage to always seek a better way to a better future.

**Involvement** – We encourage our community to take ownership and responsibility.

**Inspiration** – We use our drive and commitment to energise, engage and inspire.

## Table of version reference

Revision	Date	Comments

## **Contents**

1. Introduction
2. Investment objective
3. Risk
5. Liquidity
6. Time Horizon
7. Ethical Policy
8. Management, Reporting and Monitoring
9. Approval and Review

## 1. Introduction

The management of the Trust's investments are set out as follows –

- The Trustees of the Charity are governed by the Trustee Act 2000 which sets out the general power of investment.
- The Trust's assets are invested in a single multi-asset common investment fund.
- The Trustees have delegated decision making on investment matters to the CEO, CFOO and Finance, Audit and Risk Committee (FAR).

The overall financial objective is:

- to at least maintain the real value of the investment
- to generate a sustainable return to supplement annual grant funding

## 2. Investment objective

The assets should be managed to at least maintain the real cash value of the investment, whilst generating a sustainable level of investment income to support the current charitable activities.

The investment objectives are –

- to produce best financial return within an acceptable level of risk
- to produce a net annual yield of approximately 3% in order to support income generation to support running costs and negate inflation.

## 3. Risk

One of the key risks to the long term sustainability of the Trust is inflation, and the Trusts cash assets should be invested to mitigate this risk over the long term. The trustees understand that whilst these assets should be generating revenue, in an unstable financial market, interest rates may fluctuate and affect returns.

- The Trust's cash balances should be deposited with institutions with a minimum BBB Fitch credit rating score and or/ a minimum A-3 S&P rating score
- Inflation risk mitigated through investment in real assets.
- Investments must be made and returned using a sterling base currency.
- The size of the cash investments must not jeopardise cashflow or compromise the ability to pay monthly payroll
- The investment value should not exceed 25% of unrestricted reserves
- And additional contributions to the investment must be proposed by the CEO and CFOO and brought to the FAR committee to authorise.

## 4. Length of investment

- The Trust is expected to exist in perpetuity and investments should be managed to meet the investment objective and ensure this sustainability.
- The Trust may adopt an approach of short or long term investments depending on the requirements at the time.
- As a general approach, the Trust will seek to invest a mixture of both short and midterm investments to ensure funds can be accessed in an emergency if needed.

## 5. Ethical Policy

This policy does not wish to impose any specific ethical investment policy, however the FAR Committee is required to consider the congruence of potential investments with the aims of the Trust, its ethos and values.

## 6. Management, Reporting and Monitoring

- The FAR committee have responsibility for agreeing strategy, selecting managers and monitoring the investment assets.
- The trustees shall delegate decision making and management of the investment to the CEO, CFOO and Finance, Audit and Risk Committee
- Any engagement with an investment platform must be signed by at least two Trustees, with the CEO and CFOO designated authorities as to the ongoing management of the investment
- The CFOO is required to update the FAR quarterly during the academic year.
- The CFOO is to report formally to the full Trustee board on at least an annual basis regarding the investment. This report should include a review of asset allocation strategy, performance, risk profile and consistency with the long term investment objective.

## 7. Approval and Review

This Investment Policy Statement was prepared by the finance committee of the Operational Ethical Charity to provide a framework for the management of its reserves. It will be reviewed on an annual basis to ensure continuing appropriateness.