



CHARITABLE FUNDS - STATEMENT OF INVESTMENT PRINCIPLES

1. Worcestershire Health and Care NHS Trust (“the Trustee”), in its capacity as Corporate Trustee of Worcestershire Health and Care NHS Trust Charity (the “Charity”), has the general duty of properly managing and protecting the funds of the Charity. In particular it should:
 - a) invest money not needed immediately, or place it on deposit to earn interest if expenditure is expected in the near future;
 - b) invest the funds in a way which aims to both preserve their capital value and produce a proper return consistent with prudent investment.
 - c) not place the fund at risk by speculative investment; and
 - d) invest only as permitted by the investment powers of the Charity.
2. In order to carry out these duties, the Director of Finance on behalf of the Trustee is responsible for all aspects of the management of the investment of Charitable Funds.
3. The Trustee must also be aware and take into account, advice and guidance given in respect of investments and investment management by the Charity Commission.
4. The Charitable Funds Committee is responsible for reviewing the performance of the Trustee’s investment managers.
5. This document has been prepared after consultation with and advice from the investment manager, having regard to the Trustee Act 2000 and in accordance with guidelines issued by the Charity Commission. The ultimate power and responsibility for investment policy rests with the Trustee.
6. The investment objective over the medium to long term is to generate a combination of investment income and capital appreciation on a diversified risk basis so as to secure long term “real” returns consistent with maintaining and extending purchasing power.
7. The Trustee’s policy is to invest an appropriate mix of real assets, i.e. equities, fixed interest, property and monetary assets. The Trustee recognises that the returns on equities, while expected to be greater over the longer term than those of fixed interest, property and monetary assets, are likely to be more volatile.
8. The Trustee has delegated its investment powers to an appointed investment manager. The investment manager is responsible for carrying out all day-to-day investment decisions on a discretionary basis including acquisition and realisation of investments. The investment manager is required to exercise the power to give effect to the principles as contained in this statement and, in particular, must have regard to the need for security, diversification and suitability of investments selected.

9. The appointment of the investment manager will be reviewed on a three yearly basis by the Trustee, based upon the results of monitoring of performance, investment process and the manager's compliance with the requirement of the Trustee Act 2000 and guidance of the Charity Commission.
10. The investment manager will meet the Trustee (or a designated body of the Trustee) quarterly to review performance against an agreed benchmark over the preceding quarter and to discuss and agree any necessary changes to the investment strategy.
11. Remuneration of the investment manager will be on a fee and commission basis or as otherwise agreed with the investment manager from time to time and will be reviewed annually.
12. Whilst the Trustee is not involved in the day-to-day management of the investment portfolio and cannot directly influence performance, performance will be assessed on a quarterly and annual basis. Performance must be consistent with the achievement of the objectives set out herein and an acceptable level of risk with no holding in a single equity or pooled vehicle having a value that is more than 7% of the total equity portfolio unless otherwise agreed by the Trustee. The Trustee does not wish to participate in any underwriting arrangement or hold direct investments quoted on AIM or other secondary markets.
13. Although generally the interests of a Charity's beneficiaries are best served by seeking to obtain a "real" financial return from a suitably diverse portfolio of investments, the investment manager will have due regard to not investing in those assets which could be detrimental to the objectives and aims of the NHS. Investment must at all times be compliant with relevant guidance issued by the Charity Commission and the Department of Health.
14. The Statement of Investment Principles will be reviewed annually.

1 November 2016