

INVESTMENT POLICY



Blundell's

PREPARATORY SCHOOL



Blundell's

FOUNDED 1604



Investment Policy Statement

May 2023

1. Introduction

The Governing Body of Blundell's School has delegated its investment management function to CCLA and Rathbones, who should each hold approximately 50% of total investment value.

The share of investments administered by CCLA is held within the COIF Charities Investment Fund, which the Governing Body is satisfied meets the investment objectives set out in the policy document below.

Rathbones have invested the Blundell's funds in a balanced portfolio, which is made up of equities, fixed interest stocks and other asset classes.

2. Terms of the Investment Fund

2.1 Fund Provision

The Governors hold the Investment Fund to assist with the funding of various aspects of school life, such as scholarships and prizes, means-tested bursaries and buildings-related or subject-specific projects.

3. Investment Objectives

The broad objectives in relation to the investment of the assets subject to the Investment Fund are set out below.

4. General

4.1 In managing the investments and making and varying the investments, the Investment Managers are advised to have regard to the following criteria.

4.1.1 The suitability of the Investment Fund and any particular investment proposed to be made or retained.

4.1.2 The need for diversification of the investments of the Fund so far as it is appropriate to the circumstance of the school.

5. Current Investment profile

All assets within the portfolio are subject to the manager's discretionary management. Accordingly, the Fund does not hold assets which limit the appropriateness or need for diversification. The Governors would not therefore wish for any new investment to represent more than 5% of the overall value of the Investment Fund unless this is a collective investment.

6. Investment Philosophy and Risk profile

- 6.1.1 The Governors wish to invest the school's funds on a Total Return basis.
- 6.1.2 The investment decisions will usually have an equity bias, but fixed interest stocks and other asset classes may be included with a view to improve the risk-adjusted performance of the fund.
- 6.1.3 The Governor's request that the Investment Managers recommend to them an appropriate benchmark to be adopted and to report on the performance of the fund's investments as against that benchmark.
- 6.1.4 The Benchmark is the Consumer Price Index ('CPI') plus 3%, the ARC Steady Growth Index and the MSCI WMA Balanced Total Return. The Benchmark may be changed at any time as appropriate.
- 6.1.5 The Governors have a medium attitude to risk, reflecting the long-term nature of the investment portfolio.
- 6.1.6 The Investment Managers are not to commit the Governors to any underwriting or similar obligations.

7. Ethical Investment Statement

Blundell's School is committed to pursuing a responsible investment agenda, with particular emphasis placed on environmental issues (such as climate change, renewable energy and pollution), social considerations (such as child, slave and bonded labour, health and safety and controversial weapons), and corporate governance (being mindful of business ethics, bribery and corruption, stakeholder interaction).

In selecting CCLA and Rathbones as its fund managers, the Governing Board and Senior Executive Team are satisfied that both firms share the School's commitment to the considerations outlined above.

8. Investment Powers and Restrictions

- 8.1.1 The Governors have the general power of investment, conferred upon them by the Trustee Act 2000.
- 8.1.2 Other than those specifically listed in this Policy, there are no restraints on the investment powers.
- 8.1.3 The school's funds should be invested in line with its aims. The Governors do not wish to adopt an exclusionary policy, but individual investments may be excluded if perceived to conflict with the school's purpose.

9. Marketability

The investments should generally be marketable, and the Governors would not, unless specific authority is obtained, wish to acquire investments in the portfolio, in markets where marketability is limited.

10. Time Horizon

An investment time horizon before a significant capital withdrawal or change of investment objective is envisaged to be more than 10 years.

Funds received into the school that are envisaged by the Investment Group to be spent within a timeframe of less than five years are generally not to be invested with CCLA or Rathbones, on the basis that their capacity for long-term growth will be limited. Alternative suitable short-term investment vehicles are to be identified for such funds instead.

11. Base Currency

The base currency of the Investment Fund is Sterling. Assets may be held in the Fund which are not designated in Sterling, but all valuations and reporting standards are to be in Sterling.

12. Capital and Income requirements and liquidity.

Subject to the time horizon criteria in section 10 above being met, there is no minimum fund size requirement for investment. The Bursar may use their discretion regarding the investment of receipts up to £50,000, with the Investment Group being consulted and approving any amounts above that threshold.

The Blundell's Investment Fund was set up during 2020-21, specifically to accommodate modest unrestricted one-off and on-going donations. Its purpose is to generate income that supports means-tested fee awards given to Blundell's School pupils.

An appropriate sum should be allowed each year for Investment Management fees. Income should be mandated direct to the following bank account:

Blundell's School General Account
HSBC
Sort Code 40-27-56
Account Number 20031518

13. Capacity for Loss of Capital and Income

The Governors consider their Capacity for Loss of both Capital and Income to be 30% of the fund value in each case. This is not the extent of the loss they wish to incur but is the loss of income and capital that can be sustained before there is a material impact on the ability of the Investment Fund to meet its aims and objectives.

14. Taxation

As the Investment Fund is held on behalf of a Charitable Institution the Investment Managers are not constrained in their decision making by Capital Gains Tax or Income Tax.

15. Reporting

- 15.1.1 A valuation report is to be provided to the Governors quarterly. The report should include details of any investment changes during the reporting period, income collected and mandated to the bank account and state the performance of the Investment Fund compared to the appropriate benchmark.
- 15.1.2 An annual tax pack is to be provided to the Governors at the end of each financial year being 31 August.
- 15.1.3 The Governors would look to meet with the Investment Manager of the Investment Fund formally on at least an annual basis to discuss and review the strategy of the Investment Fund.

16. Review

This policy statement will be reviewed and, if necessary, amended from time to time. However, regard will be given to the performance of the fund year by year.

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