

Investment Working Group

TERMS OF REFERENCE

1. Scope

1.1. Purpose

To advise the board of trustees and the society on investment matters; and to exercise on the board's behalf the investment powers set out in the Royal Charter (Schedule 1).

1.2. Authority

The group has delegated authority from the board of trustees in accordance with the terms of reference.

1.3. Reporting

The group reports to the finance and audit committee.

2. Membership

2.1. Chair

The group chair will be appointed by the chair of the board.

2.2. Members

Core membership of the group will comprise:

- A trustee member of the finance and audit committee.
- At least two co-opted external members, with relevant finance and investment experience.

2.3. Other attendees

Attendees on a regular basis:

- Chief finance officer and financial controller.
- The group may invite other attendees (non-voting) to act in an advisory capacity, as necessary.

2.4. Quorum

Quorum is set at two members.

2.5. Term of office

External members will be appointed for a fixed term of four years, renewable once. Trustee terms are coterminous with their term of office on the board.

3. Responsibilities

The responsibilities of the group shall be:-

- 3.1 To keep the society's investment strategy and policy under regular review ensuring alignment with the ethical and green policies as far as possible and to provide advice and recommend to the board from time to time any changes deemed necessary.
- 3.2 To oversee the management of the society's investments and to regularly review investment strategies for reserves (restricted and unrestricted) as confirmed by the Chief Finance Officer that are not allocated to immediate expenditure, short-term working capital sums or tangible fixed assets. The group may also oversee the management of other sums of money on request from the finance and audit committee.
- 3.3 To develop and maintain investment guidelines to enable the group to follow best practices

in investment principles and ensure alignment as far as possible with BRC's ethical and green policies.

- 3.4 To establish and regularly review the investment objectives for the society's investment portfolio based on the society's reserves policy, investment policy, investment guidelines and financial strategies as approved by the board.
- 3.5 To seek advice from a regulated investment adviser as to the suitability of investments and the need for diversification,
- 3.6 To periodically oversee a competitive process (at least every five years) and negotiate terms for the selection of a regulated investment advisor in accordance with the Royal Charter (Schedule 1) and recommend their appointment to the board.
- 3.7 To review annually the performance of the appointed investment advisors and approve their fees in accordance with negotiated terms.
- 3.8 To agree benchmarks for the measurement of the performance of the society's investment portfolio and to keep such benchmarks under regular review.
- 3.9 To receive and review performance reports from their investment advisers.
- 3.10 To review the systems for the custody of assets operated by the appointed investment managers, and by custodians, ensuring that the society is not exposed to undue risk.
- 3.11 To provide minutes of each meeting and an annual report on the activities of the group to the finance and audit committee.

4. Management

4.1 Secretary

A secretary shall be appointed who will arrange, convene, attend and record all meetings.

4.2 Papers/agenda

The secretary is responsible for circulating papers for the meetings. Agenda and papers will be circulated to all members at least 5 working days before the meeting.

4.3 Meetings

The group will meet at least twice a year.

4.4 Attendance at meetings

Members are expected to attend all meetings unless agreed by the chair. Attendance by tele/video conference can be agreed with the chair.

4.5 Minutes / reporting

The secretary shall aim to distribute minutes of each meeting to members within ten working days. Minutes will be shared with the finance and audit committee at the following meeting.

5. Version control

5.1 Approval

These terms of reference were approved by the board of trustees at their meeting on 20 February 2024.