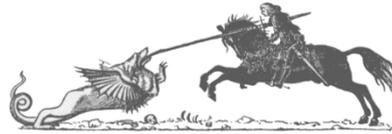


GUILD of St GEORGE



Investment Policy

1. Background

This policy has been prepared in partnership with the Guild's asset managers, Cazenove Capital ['the investment managers']. Its structure and content follow best practice guidelines as set down by the Charity Investors' Group (co-ordinated by Share Action) which advises on ethical investment for the charitable sector.

The Guild has a portfolio of property in which it invests capital annually – largely drawing on funds drawn down from the investment portfolio. This strategy has the advantage of spreading risk (where property value increases in proportion to investment) and is less prone to volatility and fluctuation than the market.

2. Introduction – Charitable Objectives

The charitable objectives objects of The Guild of St. George ('the Guild') as set out in its Memorandum and Articles of Association are to 'Promote the advancement of education & training in the field of rural economy, industrial design and craftsmanship, and appreciation of the arts in accordance with the principles set out in the Letters to Working Men by John Ruskin published under the title Fors Clavigera'.

The Guild is primarily an educational charity and is strategically focused on promoting environmentally responsible and sustainable projects and activity in both rural and urban settings under the guiding dictum 'THERE IS NO WEALTH BUT LIFE'.

3. Investment Objectives

- 3.1 The Guild seeks to produce the best financial return within an acceptable level of risk and in so doing is committed to environmentally and socially ethical investment in line with the thinking and writing of John Ruskin.
- 3.2 The Guild's assets are comprised of heritage assets in the form of The Ruskin Collection, directly owned investment property (including residential, commercial, farmland and forestry) and publicly quoted investments. This policy relates only to the investments ('the investment portfolio').
- 3.3 The investment objective is to generate an absolute return over the course of an economic cycle of inflation (CPI) plus 4% per annum. This should allow the Guild to grow the real value of the assets, before any withdrawals.
- 3.4 The Guild adopts a total return approach to investment, generating the return from a combination of income and capital gains or losses. It is expected that if in any one year the total return is insufficient to meet the Guild's planned charitable expenditure, in the long term the real value of the Guild will still be maintained in accordance with the investment objective above. A 'floor' on the total value of the investment portfolio beneath which it will not drop (depending on market movements) will be agreed by Trustees.

4. **Risk**

4.1 **Attitude to risk:**

- 4.1.1 The key risk to the long-term sustainability of the Guild is inflation, and the assets should be invested to mitigate this risk over the long term. The Trustees understand that this is likely to mean that investment will be concentrated in real assets and that the capital value will fluctuate. The Trustees are able to tolerate volatility of the capital value of the Guild.
- 4.1.2 Additional risk may come in the form of the societal and economic impact of major health or environmental crises with concomitant impact on currency and markets. The Trustees have factored these potentialities in their financial contingency planning.
- 4.1.3 The Guild is not solely reliant on the investment portfolio to fund grants and general expenditure to meet its charitable objectives and maintains its property assets to a high standard which generates an annual income.

4.2 **Assets:**

- 4.2.1 Under the terms of the Guild's Memorandum and Articles of Association, the Trustees may, at their absolute discretion, buy or sell investments in any funds in any country worldwide.
 - 4.2.2 The Guild's assets 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 Guild. The Trustees are charged with agreeing a suitable asset allocation strategy with the investment managers.
- 4.3 **Currency:** The base currency of the investment portfolio is sterling. Investment may be made in non-sterling assets, but consideration should be given to the fact that the majority of expenditure requirements are in sterling.

5. **Liquidity Requirements**

- 5.1 There is no specified amount that the Trustees expect to draw from the investment portfolio each year.
- 5.2 The investment managers should accumulate income as it arises and pay it on a quarterly basis to the Guild's business bank account.
- 5.3 The annual budget process identifies any deficit arising from planned charitable activity balanced against anticipated income. Expenditure requirements in excess of the income received from rents, grants and donations will be drawn from capital on an ad-hoc basis.
- 5.4 The Trustees wish to keep at least 80% of the assets in investments that can be realised within one month.

6. **Time Horizon**

- 6.1 The Guild is expected to exist in perpetuity and investments should be managed to meet the investment objective and ensure this sustainability.
- 6.2 The Guild can adopt a long-term investment time horizon.

7. **Portfolio structure**

7.1 The portfolio asset allocation will ordinarily fall within the following broad ranges:

Asset Class	Ranges %
Fixed Interest	0.0 – 30.0
Equities	50 - 80
Absolute Return and other Alternative Assets inc. Property	0.0 – 30.0
Cash	0.0 – 20.0

The performance of the portfolio will be measured over the long-term against the investment objective of UK CPI + 4.0%. Over the shorter term the performance will be monitored against the ARC Steady Growth index.

8. **Ethical Investment**

- 8.1 The Guild assets should be invested such that they reflect the ethical concerns of John Ruskin.
- 8.2 The Board of Directors have approved and Environmental Strategy and Action Plan to reduce its carbon emissions to net zero, and reduce waste across all operational and cultural activities, by 2030. This policy will take effect within this context.
- 8.3 The Trustees have agreed transfer of the Guild’s investment portfolio to the Responsible Multi Asset Fund (RMAF). The RMAF is designed for charities who want to align their investments with their charitable mission and invest for a better future. The intention is for the Fund to have a positive impact on people and the planet through the application of Environmental, Social, and Governance (ESG) standards which socially conscious investors use to screen potential investments.
- 8.4 The trustees do not wish to hold direct investments in companies that act clearly in manner contrary to these ethical concerns. Specifically, there should be no direct investment in armaments, extractive industries, fossil fuels or tobacco (where they constitute more than 10% of company revenue).
- 8.5 The Trustees would expect to have a discussion with the investment managers in the event that a single undesirable investment in collective funds constitutes greater than 5% of the underlying holdings, and agree whether it remains appropriate for that collective fund to be held within the portfolio.

9. **Management, Reporting and Monitoring**

- 9.1 The Trustees have appointed Cazenove Capital to manage the investment portfolio on a discretionary basis in line with this policy. The investment managers will make investment decisions based on the ethical investment policy and the best return on the investment.
- 9.2 The Trustees have responsibility for agreeing strategy and monitoring the investment assets, including an analysis of return, risk and asset allocation. Performance will be monitored against agreed market benchmarks.

- 9.3 The Guild’s Administrator will liaise with the Trustees and the Treasurer in the event of planned charitable expenditure which will require a capital drawdown against the investment portfolio. The Treasurer’s decision will be conveyed to the investment managers and the transfer of funds will be authorised by at least two mandated Guild signatories.
- 9.4 The Guild’s Treasurer will present a report on the value of the investment portfolio and any significant movement of funds at each scheduled meeting of the Board of Trustees.
- 9.5 The investment managers will:
 - 9.5.1 Provide quarterly valuations detailing the valuation of the portfolio, performance and schedules of all cash and stock movements for the period.
 - 9.5.2 Be available to present to the Trustees in person not less than once every 12 months.

10. Approval and Review

- 10.1 This Investment Policy Statement was prepared by the Trustees of the Guild to provide a framework for the management of its investment assets. It will be reviewed on a periodic basis to ensure continuing appropriateness to the Guild’s charitable objectives.

Signed on Behalf of the Trustees

Name:..... Signature:.....

Dated:.....20....

Name:..... Signature:.....

Dated:.....20....

This Policy Statement and the Instructions given in it are hereby accepted by us.

Signed on Behalf of Cazenove Capital.

Name:..... Signature.....

Dated:.....20....