

Investments

Policy statement

The UKMT Investment Policy will be approved by the UKMT Audit and Finance Board Committee. The policy will be included on the UKMT's website.

1. Investment Powers

- 1.1. The Board of Trustees of UKMT have the power to make investments through its Articles of Association. These powers have been delegated to the UKMT Investment Committee.

2. Investment Objectives

- 2.1. Ensure sufficient liquid funds are available for the short-term needs of UKMT.
- 2.2. Invest the balance of available funds to achieve suitable expected risk-adjusted returns, taking into account when the funds are likely to be needed and any adverse impact on total reserves, as well as the range of exposure (percentage of funds invested) as agreed by the Board of Trustees.

3. Risk

- 3.1. The UKMT Investment Committee will periodically review the financial risks involved in the investments it makes and take appropriate action to manage these risks. These risks include capital risk, liquidity risk, tax risk and counterparty risk.

4. Liquidity

- 4.1. The UKMT Investment Committee will periodically review the liquidity of the investments and ensure that the liquidity profile is adequate to ensure that sufficient funds are available to cover the short-term needs of UKMT, as well as any major one-off expenditure.

5. Types of Investment

- 5.1. Investments other than term bank deposits must be limited to investment vehicles with a reasonable expectation of daily liquidity sufficient to liquidate our entire position. Cash deposits must be subject to FSCS unless total cash deposits are so great that this would lead to too many separate bank accounts. Any cash deposit over the FSCS limit must be with a Bank of England Licensed Deposit Taker with a long-term credit rating of A- or A3 (or higher).

6. Investment decision

- 6.1. These are to be taken by the Investment Committee within this overall Investment Policy. The Investment Committee must include at least one member with external investment experience.

7. Investment Management

- 7.1. If appointed, the performance of external fund managers must be reviewed, at least every three years, by the Investment Committee against appropriate benchmarks.

8. Reporting

- 8.1. Valuations must be provided at least twice a year. These will be reported to the Investment Committee, and the Audit and Finance Board Committee.