

# **Investment Policy Statement**

**Ski Club of Great Britain Ltd**

(registered in England & Wales no. 04312167)

Prepared by:

Ski Club Finance and Audit Committee

January 2023

Approved by:

Ski Club Council

27 April 2023

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## **1. Introduction and Company status**

The Ski Club of Great Britain Ltd is a not-for-profit company, member owned, limited by guarantee. It was established in the early 20<sup>th</sup> century.

Its objectives are: the facilitation and encouragement of skiing, snowboarding and other snow sports in all their forms.

Members are UK based. The company and its subsidiaries facilitate member participation in snow sports worldwide.

The Ski Club of Great Britain Ltd (“the Club” or “SCGB”) is managed by the Council, whose members are directors of the Ski Club of Great Britain Ltd. Council’s responsibilities are established by the Memorandum and Articles of Association, and by company law. The directors have fiduciary duty to safeguard the assets of the Company and the Club.

This Investment Policy Statement specifies how the Company’s financial investment assets will be managed.

The client governance body for approval of all investment decisions: Ski Club of Great Britain Council, with delegation to SCGB Treasurer and SCGB Finance & Audit Committee

Accountability for monitoring investment performance: SCGB Finance & Audit Committee ('FAC')

Primary client contact: SCGB Treasurer, SCGB Finance Manager

## **2. Statement of objectives**

The Council's objective is to safeguard and increase the value of the Club's financial assets.

Funds may be invested in tradeable assets, within the limits specified in this Policy Statement.

Advice will be taken from managers based in the UK, covered by appropriate regulation, including the UK Financial Services and Markets Act 2000 and the Financial Services Act 2012

### **3. Investment strategy and implementation**

The Council's primary objective is to safeguard asset values, its secondary objective is to increase the value of the portfolio. Both objectives are measured over the medium term.

Investments are to be held in liquid, traded assets, unless specific approval is granted by Council.

#### **Investment objectives**

Balanced. Long term growth and capital preservation

Risk profile: moderate. Annualised volatility range +/- 2% of the main benchmark

Time horizon: greater than 5 years

Short term liquidity needs: not envisaged

Long term annual rate of return expectation: CPI +3%

One year worst case loss limit: benchmark -2%; alternative strategies to be considered at an overall loss of 10%

#### **Asset allocation exposure bands**

Equity type	60% to 80%
Fixed interest	0% to 30%
Liquidity (cash and bonds rated no less than AA)	5% to 15%
Other traded investments	5% to 15%

#### **Implementation**

Council have appointed a regulated investment manager

#### Investment manager duties and responsibilities

Discretionary mandate.

Confer with client to create asset allocation.

Select assets in accordance with asset allocation providing sufficient diversification of risk and returns.

Control and report investment costs.

Monitor investment options and act as portfolio custodian.

Value all portfolio holdings on a monthly basis.

Provide monthly portfolio valuations, showing sales and purchases, income, and the monthly change in value. Provide quarterly portfolio reports.

#### Manager performance monitoring

The SCGB Finance & Audit Committee is responsible for ensuring that this investment policy is adhered to by the appointed Investment Manager.

Investment Manager performance will be monitored by FAC. A formal report will be made by FAC to Council annually, following the end of the Company's financial year.

In common with all other services, FAC will consider periodically whether the service should be re-tendered.

## 4. Prescribed matters and portfolio selection guidelines

The portfolio will be managed with appropriate diversification in line with the investment objectives set out in this policy.

All investments will be traded on recognised exchanges for equities and fixed interest securities.

Portfolio management will aim to minimise tax charges from asset sales in the context of good portfolio management and in consultation with FAC.

Investment in derivatives is not to be undertaken without authorisation by FAC.

No one investment (other than collective investments or UK Government stocks) may represent more than 5% of the portfolio at the time of acquisition or 6% at any subsequent time without the prior agreement of FAC.

### ESG objectives

As a non-profit member-owned company, SCGB aims to invest in entities with a positive environmental and social impact. Climate change is of particular concern to our members.

The target MSCI ESG rating for investments should normally be A (or equivalent where such rating is not available). Any deviations from this are to be discussed with the Finance & Audit Committee.

Striking a balance between risk, reward and ethical considerations is complex. The Council must satisfy itself that action in applying an ethical investment policy will not involve significant financial detriment. Council will therefore seek to achieve an acceptable balance that will satisfy the expectation of members. Monitoring is delegated to FAC.

The Club aims to invest in companies which act responsibly in the interests of their shareholders, employees and other stakeholders. This means taking positive action in areas such as:

- environmental protection,
- supporting sustainable development,
- health, including healthy food
- education,
- employment,
- human rights, including addressing modern day slavery
- good corporate social responsibility,
- good governance,
- financial transparency,

- anti-corruption controls,
- safe working practices,
- natural justice and
- sensitivity towards the communities in which their business operates.

The Club will avoid investment in companies with trading in:

- gambling,
- pornography,
- armaments,
- high interest rate lending.
- human exploitation or injustice,

and where the entity's activities have a significantly negative impact on climate change – taking a balanced view of the company's activity including actions taken to mitigate any climate impact of its products and operations, and taking the MSCI ESG rating into account.

## **Performance Monitoring**

Return will be compared with benchmarks, to include:

- MSCI PIMFA Balanced Total Return (currently the main benchmark)
- FTSE All-Share Total Return
- FTSE UK Gilts All Stock TR
- IA UK Direct Property TR
- CPI +3%

The performance of individual investments will be kept under active review. The parameters for selling a collective investment will take account of performance deviation from benchmarks and that of the cohort fund group, and will be discussed with FAC.

Costs will be monitored annually to ensure that total costs do not surpass 4% of all investable assets.

## **Other matters**

Council will review this statement regularly, at a minimum once every two years.

This policy will be made available to Club members.