

Meeting	Trustee Board meeting
Date	13 October 2022
Title	Investment Committee Terms of Reference
Agenda item	6
Paper by	Victoria Southwell

1.0 Purpose of paper

To allow Trustees to review and agree the Terms of Reference for the Investment Committee.

2.0 Background

Following a presentation on social investing at the December 2021 Trustee Meeting, it was agreed a Social Investing Working Group would be established to understand more about social investing, consider if social investing was something that Triangle Trust should engage in and develop an approach to this.

3.0 Current situation

As part of the discussions and further work that took place around social investing by the Working Group it was identified that social investing was linked to a wider range of financial considerations and that Investment Committees played a vital role in supporting these functions across similar organisations. Alongside the discussion about making social investments, the Working Group also discussed that this is linked to how to more effectively understand the impact the endowment currently has on important social issues.

Sarasin currently manage the portfolio and present their performance to Trustees twice a year. Whilst this is useful it does not allow the opportunity for deeper formal review and questioning. Whilst we should not be concerned about the long-term picture for the endowment, the current market challenges do mean that we need to be aware of the rapid fluctuations in value and be able to mitigate any risks quickly. The current structure for managing the endowment does not allow for this to be easily done. We also need to undertake a 'beauty parade' in 2023 which will require a focused approach to delivering this task.

The decision to increase our annual grant spend has an impact on the amount of money we need to have available to us to meet our commitments and requires an ongoing overview of the cash position and quick decisions made should we need to draw down on capital. Whilst Management Accounts are produced quarterly the ability to review these more closely through an Investment Committee would add considerable value to the process.

At the June 2022 Trustee Meeting it was agreed that an Investment Committee should be formed to replace the Social Investing Working Group and that a Terms of reference for the Committee would be developed. The Terms of Reference were written by the Director and Chair of the Social Investing Working Group with input from the Chair of Trustees and are now ready to be reviewed and approved by Trustees.

4.0 Recommendation

Trustees are asked to review the Investment Committee Terms of Reference and agree to adopt it and form an Investment Committee.