

## **Devon Gardens Trust**

### **Investment Policy**

#### **Scope**

Our charity will invest in a diversified range of asset classes and regions. We will consider investment in stocks, bonds, property, and other investment vehicles that align with our charitable mission.

This policy outlines the charity's approach to responsible investment, integrating ESG factors and carbon intensity considerations into investment decisions to align with the charity's mission, values, and long-term goals.

It incorporates Environmental, Social, and Governance (ESG) factors and carbon intensity considerations, aiming to align investments with the charity's mission and values, while also seeking to reduce the portfolio's carbon footprint.

This policy applies to all investments held by the charity, including but not limited to, equities, fixed income, real estate, and alternative investments.

#### **Risk Appetite**

We recognize that every investment carries risk, and we will manage these risks to ensure that they are commensurate with our objectives and the financial resources available. Our charity's risk appetite is moderate, and we are willing to accept fluctuations in the value of our assets in pursuit of our investment objectives.

#### **Balancing Investment Risk and Return**

We will balance risk and return to achieve our investment objectives. We will seek to achieve our investment goals through a mix of investments to achieve a diversified portfolio of investments that suit our needs.

#### **Amount Available**

We will invest our financial resources in line with our objectives, risk appetite, and investment policy. The amount we have available for investment will be reviewed annually, and we will adjust our investment strategy as necessary to ensure that we continue to meet our objectives.

#### **Investment Time Horizon**

Our investment time horizon is long-term, and we aim to invest in funds for the long term. We recognize that investing is a long-term activity that requires a disciplined approach to generate sustainable returns.

#### **Liquidity Needs**

We will ensure that our charity has sufficient liquidity to meet our financial commitments, including grants and other charitable activities. We will invest in liquid assets and maintain an appropriate level of cash reserves to ensure that we can access our money when we need it.

#### **Decision-Makers**

The charity trustees are responsible for making investment decisions, including approving the investment policy, setting investment objectives, and selecting investment managers.

### **Investment Key Performance Indicators**

We will measure the performance of our investments based on the total return, risk-adjusted return, and other appropriate benchmarks. We will review our performance regularly and adjust our investment strategy as necessary.

### **Investment Policy Reporting Requirements**

We will communicate investment performance to our stakeholders annually, including donors, beneficiaries, and the Charity Commission.

### **Selection, Responsibility and Remit of the Investment Manager**

We will employ an investment manager, who will be responsible for implementing our investment strategy, making investment decisions on our behalf, and reporting on investment performance. The charity will select investment managers who demonstrate a strong commitment to responsible investment and have a proven track record of integrating ESG factors into their investment process.

### **Investment Manager's Principles**

Our investment manager must follow our investment policy and adhere to our ethical standards. They must act in our best interests and manage our investments prudently.

### **Investment Responsibilities of the Trustees**

The trustees have a legal obligation to secure the best financial return within the appropriate level of risk to be spent on the charity's aims. They have a duty to consider investment suitability and diversification, to take advice, unless there is good reason for not doing so, and to review investments.

### **Investment Objectives**

Our investment objectives are to achieve growth and income. We aim to generate sustainable returns that allow us to achieve our charitable objectives while protecting the capital value of our investments.

The charity requires its investment manager(s) to endeavour to achieve a competitive financial return on its investments, while also meeting its ESG goals and reducing carbon intensity where possible.

The charity requires its investment manager to consider investing in ethical stocks that align with our charitable mission, and avoid investing in stocks that go against our charity's aims.

The charity requires its investment manager(s) to seek to invest in companies and assets that demonstrate strong ESG performance and contribute to positive social and environmental outcomes.

## **ESG and Carbon Intensity Considerations**

The charity requires its investment manager(s) to consider the following when making investments:

- **Environmental Factors:**

Environmental factors such as climate change, resource depletion, pollution, and biodiversity loss.

- **Social Factors:**

Social factors such as labour standards, human rights, community relations, and diversity and inclusion.

- **Governance Factors:**

Governance factors such as board structure, executive compensation, shareholder rights, and ethical conduct.

- **Carbon Intensity:**

Assess the carbon intensity of its portfolio and actively seek to reduce it through investments in low-carbon assets.

## **Investment Process**

- **Due Diligence:**

The charity requires the investment manager(s) to conduct thorough ESG and carbon intensity due diligence on all potential investments, and evidence the same.

## **Conclusion**

Our charity investment policy sets out our approach to investing. It is a framework for making investment decisions, managing our financial resources, and meeting our governance responsibilities. We will review our investment policy annually to ensure that it continues to align with our charitable mission and objectives.

## **Policy Version Control - Approval and Review**

**Date 24<sup>th</sup> July 2025**

**Approved Trustee Board**

**Review period: Annual**