



Scouts
VICTORIA

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INVESTMENT POLICY 2019

PURPOSE

The management of the business of the Branch and of the Victorian Branch Council is vested in the Branch Executive Committee (BEC).¹ In addition to an operating account, the Branch administers a number of funds and investments. It is vital that these funds and investments be managed in a prudent manner and in the long-term best interests of the Scout Association of Australia, Victorian Branch (the Branch).

SCOPE

This policy applies to all investments managed by the Branch, including funds and investments of its controlled entities. Scout-owned freehold property is treated as a youth-program delivery asset and not as part of the Branch investment portfolio – hence lie outside the scope of this policy.²

POLICY STATEMENT

It is Scouts Victoria policy that all reasonable precautions will be taken to ensure that the Branch's 'Investment Portfolio' is preserved whilst increasing its value, maintaining liquidity and managing risk. Investment decisions shall take into account both financial return and ethical (environmental, social justice and corporate governance) factors.

RESPONSIBILITIES

Investment Sub-committee

It is the responsibility of the Investment Sub-committee to:

- take the lead role in investing and managing the Branch's Investment Portfolio
- actively manage these funds and investments
- work closely with the Branch's investment advisor
- prepare monthly reports of all transactions
- provide a quarterly report of benchmark performance to the BEC
- prepare/review the 'Branch Investment Strategy' each year and, if considered desirable, recommend changes for approval by the BEC.

BEC

It is the responsibility of the BEC to:

- appoint an Investment Sub-committee each year, with a clear charter and delegation authority
- on the recommendation of the Investment Subcommittee, appoint an Investment Advisor to work with the Investment Sub-committee,
- ratify all transactions made by the Investment Sub-committee at the monthly BEC meetings.

Investment Advisor

The Investment Advisor shall:

- appoint an Authorised Representative to work with the Investment Subcommittee and invest funds in accordance with their decisions.

Branch Finance Manager

¹ Clause 23, Constitution of the Scout Association of Australia, Victorian Branch

² Income on Scout property tends to flow into the Groups/Formations/Campsites that generate it. There is, however, an exposure to capital growth for properties designated as 'surplus to current requirements' and held by Branch.



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The Branch Finance Manager shall:

- advise the Investment Subcommittee of the funds that are required for the day-to-day operations of the Branch.

PROCEDURES

Appointment of Investment Advisor: The BEC shall appoint an investment advisor, after considering the recommendation of the Investment Sub-committee. The appointee must hold an Australian Financial Services Licence to conduct a financial services business and hold professional indemnity insurance. The appointment shall be for a maximum of three years, but may be renewed after review.

Decisions on purchasing and selling stocks: Decisions on purchasing and selling stocks shall be made after considering the advice of the Authorised Representative of the Investment Advisor and be made by a majority decision of the Investment Sub-committee, with the aim being for all decisions to be made by consensus. All such decisions shall be documented by way of a 'Trade Notification Schedule'. This schedule shall be prepared by the Authorised Representative and show each sale and purchase and be forwarded to the Chairman of the Investment Subcommittee and the Branch Finance Manager.

Socially Responsible Investment: Investment decisions shall have regard to whether companies or funds produce goods, services and practises that promote the health and welfare of individuals and communities and the environment or produce goods, services or practises that are linked to abuses of human rights, poor occupational health and safety or employee relations, or bad environmental management.

Ethical Screening: Investments shall be regularly reviewed to ensure that the Branch does not knowingly invest in companies or funds with involvement in alcohol production, armaments, gambling, pornography industries and tobacco manufacture.

Reporting: A monthly report shall be provided to the BEC – for their information and ratification of transactions undertaken. The report shall include a summary of investments by type, the investment mix at cost and at current market valuation, and a listing of all buy/sell transactions. At end of year, a performance report will be prepared comparing the Investment against the specified benchmarks.

Investment Income: all income derived from the Investment Portfolio shall be credited to the Branch and its controlled entities accounts.

DEFINITIONS

Authorised Representative: The person appointed by the Investment Advisor as their liaison officer.

Controlled entities: For the purposes of this policy, controlled entities means the Victorian Scout Foundation Trust, the EM Lothian Trust and the Boy Scouts (Victoria) Memorial Fund.

Income / Investment Income: The earnings of the Investment Portfolio over a given period (usually 12 months). For this purpose, the income comprises interest, dividends, franking/imputation credits and capital gains on the sale of investments.

Investment Advisor: A suitably qualified and experienced firm/company that has been appointed by the BEC to assist the Investment Sub-committee in making investment decisions. Currently JB Were.

Investment Portfolio: Funds of the Branch and its controlled entities not required for the day-to-day operations of the Branch, as determined from time to time by the Branch Finance Manager.

RELATED DOCUMENTS, REFERENCES

Note: This policy replaces the Investment Policy 2015.

ATTACHMENTS

Branch Investment Strategy – 2019

PROCEDURE OWNER

Chairman, Investment Sub-committee. Email:
investment@scoutsvictoria.com.au.

Date Approved: 22 October 2019 Effective Date: 29 October 2019 Review Date: October 2022