

ADHDadultUK Investment Policy

1. Introduction

Effective investment management is crucial for the financial sustainability and growth of ADHDadultUK. This policy outlines the principles, guidelines, and processes for managing the charity's investments to support its long-term mission and objectives.

2. Purpose

The purpose of this policy is to establish a framework for the prudent management of ADHDadultUK's financial investments. It sets out the principles for investing funds, ensuring that investments are aligned with the charity's values, risk tolerance, and financial objectives.

3. Scope

This policy applies to all investments made by ADHDadultUK, including cash reserves, endowment funds, and other financial assets. It covers investment decision-making, risk management, ethical considerations, and performance monitoring.

4. Policy

4.1. Investment Objectives

4.1.1. Primary Objective

The primary objective of ADHDadultUK's investment strategy is to generate a reasonable return on investments, ensuring the financial sustainability of the charity and its ability to fund future projects and activities.

4.1.2. Risk Tolerance

The charity adopts a cautious approach to investment, prioritising capital preservation while seeking modest growth. Investment decisions will reflect ADHDadultUK's low tolerance for high-risk investments that may jeopardise the charity's financial stability.

4.1.3. Time Horizon

The investment strategy considers both short-term and long-term financial needs, aiming to maintain sufficient liquidity for operational purposes while maximising returns over the longer term.

4.2. Investment Principles

4.2.1. Prudence

ADHDadultUK will manage its investments prudently, ensuring that investment decisions are made with due care, skill, and consideration of the charity's financial position and objectives.

4.2.2. Diversification

To mitigate risk, the charity will diversify its investments across different asset classes and sectors where appropriate. This approach minimises the potential impact of market fluctuations on the charity's overall portfolio.

4.2.3. Liquidity

The charity will maintain a portion of its investments in highly liquid assets to ensure that funds are available to meet short-term operational and emergency needs.

4.2.4. Ethical Investments

ADHDadultUK is committed to ethical investing. Investments will be made in a manner that aligns with the charity's values and mission. The charity will avoid investments in companies or industries that engage in practices contrary to its ethos, such as those involved in the production of tobacco, alcohol, or other products harmful to health.

4.3. Investment Decision-Making

4.3.1. Authority and Responsibility

The Board of Trustees holds overall responsibility for the charity's investments. It may delegate day-to-day investment management to a Finance Subcommittee or an appointed Investment Manager, who will act within the guidelines set out in this policy.

4.3.2. External Investment Managers

If external investment managers are appointed, they must be selected through a rigorous process, ensuring they possess the required expertise, ethical alignment, and a track record of responsible investing. Their performance will be reviewed regularly to ensure compliance with the charity's investment objectives.

4.4. Investment Guidelines: All investments must conform to the following guidelines:

- Only invest in assets with a clear and transparent risk profile.
- Avoid high-risk speculative investments, such as derivatives, commodities trading, or high-leverage products.
- Prioritise investments with a balance of income generation and capital growth.

4.5. Approval of Investment Decisions

Significant investment decisions, including the selection or change of an investment manager, require the approval of the Board of Trustees. Routine decisions that align with this policy may be made by the delegated Finance Subcommittee or Investment Manager.

4.6. Risk Management

4.6.1. Risk Assessment

Before making any investment, a risk assessment will be conducted to evaluate potential risks and determine their acceptability in relation to the charity's risk tolerance.

4.6.2. Monitoring and Review

The investment portfolio will be monitored regularly to assess performance and identify any emerging risks. Quarterly reviews will be conducted by the Finance Subcommittee, and a summary of the portfolio's performance and risk status will be reported to the Board of Trustees.

4.6.3. Mitigation

ADHDadultUK will employ risk mitigation strategies, such as diversification and the use of investment products that provide downside protection, to minimise potential losses.

4.7. Ethical and Environmental, Social, and Governance (ESG) Considerations

4.7.1. Ethical Investing

Investments will be made in companies that align with the ethical values of ADHDadultUK. The charity will avoid investing in sectors that conflict with its mission, such as those related to the production of tobacco, alcohol, firearms, gambling, and other harmful or exploitative industries.

4.7.2. ESG Factors

The charity will consider Environmental, Social, and Governance (ESG) factors when making investment decisions. Priority will be given to companies and funds that demonstrate a strong commitment to sustainable practices, ethical operations, and social responsibility.

4.8. Income and Capital Growth

4.8.1. Income Generation

Where possible, ADHDadultUK will invest in assets that generate a steady income stream to support its ongoing operational and charitable activities.

4.8.2. Capital Growth

The charity seeks to grow its capital over the long term to enhance its financial capacity for future projects. However, this will be balanced against the need to protect the principal and maintain sufficient liquidity.

4.9. Reporting and Review

4.9.1. Reporting

Regular reports on the performance of the investment portfolio will be prepared by the Finance Subcommittee or the appointed Investment Manager. These reports will include an assessment of returns, risks, and compliance with ethical guidelines.

4.9.2. Annual Review

The Board of Trustees will conduct an annual review of the investment policy to ensure its continued relevance and effectiveness. This review will consider changes in the charity's financial situation, market conditions, and investment performance.

4.9.3. Amendments

Any proposed changes to this policy must be approved by the Board of Trustees. Changes will be communicated to all relevant parties.

4.10. Withdrawal and Reinvestment

4.10.1. Withdrawal

Decisions regarding the withdrawal of funds from investments will be made based on the charity's cash flow needs, ensuring that sufficient liquidity is maintained to meet short-term obligations.

4.10.2. Reinvestment

Income generated from investments may be reinvested to promote long-term growth, subject to the charity's financial requirements and the guidelines set out in this policy.

4.11. Consequences for Non-Compliance

Failure to adhere to this policy could result in financial loss or damage to the charity's reputation. All trustees, staff, and external managers involved in investment decisions are required to comply with this policy. Breaches of the policy will be reviewed by the Board of Trustees, and appropriate actions will be taken.

4.12. Review

This policy will be reviewed annually by the Board of Trustees to ensure its ongoing appropriateness and effectiveness.

Version Control - Approval and Review

Version No	Approved By	Approval Date	Main Changes	Review Date
1.0	James Brown	03/10/2024	Initial draft approved	03/10/2025