



Cass Business School
CITY UNIVERSITY LONDON

Charity Investment – Theory and Practice



Centre for Charity Effectiveness
Intellectual leadership: developing talent, enhancing performance

www.cass.city.ac.uk/cce



Introduction to Charity Investment – Theory and Practice

The UK charity sector is enormously diverse by scale, by purpose and by organisational structure. However, one common feature shared by all charities is a desire to make the most of their resources. This includes ensuring that the financial assets are invested to meet the needs of the charity, whether as a reserve to cover potential liabilities or as a source of return generation.

Most charities in the UK have small investment portfolios and are well served by the various charity specific pooled fund options currently available. However, charities with larger portfolios – from perhaps £10m upwards – have scope to adopt more tailored investment approaches, but they can find it difficult to gain access to impartial advice and guidance on a cost effective basis. The largest charity funds may have sufficient scale to justify paying fees to investment consultants for bespoke advice. But many charities do not and instead rely heavily on their fund managers for all their investment requirements, which can make it difficult to assess performance objectively or to consider different approaches.

Charity Investment – Theory and Practice is a new academic course designed to provide practical and comprehensive guidance for anyone entrusted with the stewardship of charity investment portfolios with investible assets of £10m or more. The course is intended for Trustees and finance staff with existing investment knowledge or Investment Committee experience.

What you will learn

This course has been designed to provide charity Trustees and finance staff with the tools they need to make these objective assessments and consider better approaches. The course will cover the following key areas:

- Setting investment objectives suitable to the charity's needs
- Establishing an investment strategy to meet these objectives
- The governance structure required to enable tactical decisions to be taken around this strategy
- Understanding investment risk and its relevance to your charity
- Selecting managers to implement your strategy
- Measuring success and monitoring progress.

The focus throughout the course will be on practical implementation of the concepts discussed, with case studies about and contributions from other leading charities. The course teachers will include both academics from Cass Business School and practitioners from investment firms and charities.

In keeping with the focus on practical implementation, we have structured the course to minimise the potential disruption to the participants' busy lives. The course is divided into three sections each of two days with a three-month gap between each section. Each section is scheduled to run early in a calendar quarter, so participants will also gain an invaluable briefing ahead of any routine presentations by their investment managers.

We look forward to welcoming you in April.

Best wishes,

Professor Paul Palmer
Course Director

Outline structure and contents

Section I (8th & 9th April 2014)

Supported by Newton

NEWTON
The Power of Ideas

- Defining investment objectives, including case studies
- Asset class characteristics
- Jargon busting session
- Market returns in the year to March – key questions for your fund managers
- Sponsor Dinner
- Governance and decision making structures
- Legal responsibilities and regulation
- Distribution rates for charities
- Social responsibility/PRI
- Start of investment competition.

Section II (8th & 9th July 2014)

Supported by Schroders

 **Schroders**

- Recap on Section I and update on investment competition
- Market returns in the latest quarter – key questions for your fund managers
- Understanding investment risk
- Strategic asset allocation
- Charity asset allocation - theory and practice
- Panel of leading UK charities discussing their approaches and challenges
- Sponsor Dinner
- Fundraising as an investment opportunity
- Measuring success
- Defining a suitable investment strategy
- Mock manager update meeting

Section III (7th & 8th October 2014)

Supported by UBS

 **UBS**

- Recap of Sections I and II
- Market returns in the latest quarter – key questions for your fund managers
- Tactical asset allocation
- Hot topics in investment thinking
- Emerging markets
- Sponsor Dinner
- Manager structures
- Selecting and monitoring managers
- Investment game
- Final discussion and conclusions.

Meet the team

Course Director – Professor Paul Palmer



Professor Paul Palmer, Professor of Voluntary Sector Management, and Associate Dean for Ethics, Sustainability and Engagement at Cass Business School, City University London, has extensive knowledge of charity financial, management and governance issues in the nonprofit sector. He was a member of the Charity Commission SORP committee from 2000-2005. He acts as an independent consultant on Charities to UBS Wealth Management, and an independent expert on charity dispute issues for courts and arbitration.

Paul's work also extends into the area of Ethics and Corporate Social Responsibility and he has co-authored a book on Socially Responsible Investment and completed a research project on Responsible Lending. He currently serves on the ethics panel of the Securities Investment Institute and the Corporate Responsibility Advisory Group of the Institute of Chartered Accountants in England and Wales (ICAEW). In 2010/11 Paul project managed the Lord Mayor of London's Integrity and Values Initiative and am continuing strands of this work with the ongoing City Values Forum.

More information about Paul including a detailed list of his previous publications can be found at Cass Experts – <http://bit.ly/1eFGRc3>

Course Leader – John Harrison



John Harrison has over 30 years' experience in institutional investment both as a fund manager and as a consultant. He is currently independent investment adviser to a number of large public and private sector pensions funds.

John spent most of his career with what was originally Phillips & Drew. He started in 1983 as a UK equity portfolio manager and analyst within the firm's Charities Division. In 1991 he left to run charity investment teams at first Lazard and then Flemings. In 1994 he published *Managing Charitable Investments* as part of the ICSA Charities Management series.

John subsequently returned to Phillips & Drew as a fund manager of UK equity and multi-asset portfolios for UK pension funds and charities. In 2000 the firm created a single investment platform as UBS Global Asset Management. In 2005 John became Head of the UK Multi-Asset Team and UK Chief Investment Officer. He was subsequently also Head of UK Institutional Business and Head of UK Institutional Advisory Solutions. John retired from UBS in March 2010.

John also pioneered the first specialist course on investment management for charities in the early 1990s and is now a Guest Lecturer on Charity Investment at Cass Business School, City University London.

Guest lecturers

The course will feature renowned experts who specialise in charities, investments and asset management, including:

Cass experts:

- **Professor Andrew Clare**
- **Professor Andrew Hind**
- **Professor Stephen Lee**
- **Professor Steve Thomas**

Guest lecturers:

- **James Brooke Turner** (Nuffield Foundation)
- **Alan Brown** (Wellcome Trust and Schroders)
- **John Burke** (Newtons)
- **Andrew Chapman** (Health Foundation)
- **Matt Cox** (Esmée Fairbairn Foundation)
- **Helena Morrissey** (CEO, Newtons)
- **Bruce Gordon** (Honorary Treasurers Forum; Guide Dogs for the Blind)
- **Deborah Griffin** (Homerton College, University of Cambridge)
- **Giles Neville** (Schroders)
- **Kate Rogers** (Schroders)
- **David Rowe** (UBS)
- **Alan Saunders** (Allenbridge)
- **Fiona Young** (Tudor Trust)

Key features of the Cass CCE Charity Investment Course

Module dates

8th-9th April 2014; 8th-9th July 2014;
7th-8th October 2014

Cost

- £6,000 per participant. However, participants from eligible charities (those with investible assets in excess of £10m) will qualify for a 90% fee reduction to £600
- There will be a £100 per head reduction for charities that send both a Trustee and a senior member of staff – we want to encourage collaborative relationships between Trustees and finance staff wherever possible.

Application Process

- All participants wishing to attend will be subject to approval by a Selection Committee including Prof Paul Palmer and John Harrison. Our sponsors will be consulted if any applications are received from potential participants who are employed by competitor firms.

Who the course is aimed at

- The course is intended for Trustees and finance staff with existing investment knowledge or Investment Committee experience
- Anyone entrusted with the stewardship of charity investment portfolios with investible assets of £10m or more.

Time commitment

- Six days over three months
 - 8th-9th April, including evening of 8th April
 - 8th-9th July, including evening of 8th July
 - 7th-8th October, including evening of 7th October.
- Additional time for personal study.

Location

All modules will be held at Cass Business School in London, UK

Language

English

Travel and accommodation

Cass Business School is located in the City of London and is well served by local underground stations and bus routes. It is also easily reached by delegates flying into London airports or travelling on the Eurostar. London offers a wide range of hotels to suit every budget.

Cass Centre for Charity Effectiveness

Intellectual leadership: developing talent, enhancing performance for the nonprofit sector

Cass Business School is ideally placed in the City of London, close to the Bank of England, and at the heart of the capital's charity triangle. The School's research output is ranked as world-leading and internationally excellent. Cass CCE is the leading nonprofit and philanthropy centre in the UK.

Our world-class blend of academic research, postgraduate programmes, talent development and consultancy services deliver leading-edge thinking by combining extensive practical experience with best practice, theory and research. For more information visit: www.cass.city.ac.uk/cce

Further information and how to apply

Please visit www.cass.city.ac.uk/charityinvestmentcourse

Or contact:
Matthew Guest,
Programme Officer,
Centre for Charity Effectiveness.

Centre for Charity Effectiveness
Cass Business School
106 Bunhill Row
London EC1Y 8TZ

E: CassCCE@city.ac.uk
T: 020 7040 0901
Twitter: @CassCCE

www.cass.city.ac.uk/cce

NEWTON

The Power of Ideas

Newton is a London-based investment management subsidiary of The BNY Mellon Corporation, with over £50bn assets under management (31.12.2013). Our global clientele includes pension funds, charities and corporations.

We use our global thematic investment approach to interpret short-term market uncertainties challenging investors. Broad perspective helps us identify risk and opportunity.



Schroders

2013 Charity Times Investment Manager of the Year. www.schroderscharities.com

Schroders Charities has been managing assets for charity clients for over 75 years, and our first client from the sector remains a client today. As the largest manager of UK charity assets, we understand the sector and are committed to helping all types and sizes of charities achieve their investment objectives.



UBS

UBS has specialised in wealth management for more than 150 years. Today, in the UK we deliver a complete wealth management service from our offices across the country. We also have a dedicated team of investment specialists which advises charities and who work closely with experts from our investment banking and asset management businesses, giving our clients access to the latest research and industry-leading investment solutions.

For more information, visit www.ubs.com/charities-uk



Cass Business School

In 2002, City University's Business School was renamed Sir John Cass Business School following a generous donation towards the development of its new building in Bunhill Row. The School's name is usually abbreviated to Cass Business School.

Sir John Cass's Foundation

Sir John Cass's Foundation has supported education in London since the 18th century and takes its name from its founder, Sir John Cass, who established a school in Aldgate in 1710. Born in the City of London in 1661, Sir John served as an MP for the City and was knighted in 1713.