Charity Investment – Theory and Practice

April 2015 - July 2015

Centre for Charity Effectiveness
Intellectual leadership: developing talent, enhancing performance
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 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 seven week gap in-between Sections 1 & 2 and a five week gap in-between Sections 2 & 3.

We look forward to welcoming you in April.

Best wishes,

Professor Paul Palmer
Course Director
Outline structure and key content

**Section I (14th & 15th April 2015)**
Evening Lecture hosted by...

- Day 1
  - Defining investment objectives
  - Legal responsibilities
  - Market update & key question debate
  - Asset class characteristics
  - The distribution rates for charities debate
  - Evening Lecture – Emerging markets, Dr Jerome Booth

- Day 2
  - Governance and decision making
  - Investment risk in theory
  - Debate: Practical issues with investment risk
  - Issues for charities with pension funds
  - Social finance
  - The social responsibility in practice debate
  - Optional session: your current investment issues

**Section II (2nd & 3rd June 2015)**
Evening Lecture hosted by...

- Day 3
  - Recap on Section I and update on investment competition
  - Market update & key question debate
  - Strategic asset allocation
  - History of financial markets
  - The balancing inter-generational needs debate
  - Evening Lecture – Behavioural Finance

- Day 4
  - Fund-raising as an investment opportunity
  - Manager structures and selection and monitoring managers
  - Understanding costs
  - Measuring performance and using performance data effectively
  - Optional session: Absolute vs Relative approaches

**Section III (7th & 8th July 2015)**
Evening Lecture hosted by...

- Day 5
  - Recap of Sections I and II and update on investment competition
  - Market update & key question debate
  - Tactical asset allocation
  - Hot topics in investment thinking
  - Debate: Does active management work?
  - Evening Lecture – The future of the charity sector, Lynne Berry OBE

- Day 6
  - Endowments globally and illiquid assets
  - Exploiting charity investment advantages
  - Mock manager pitches and selection
  - Optional session: Sources of advice
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.

John spent most of his career with UBS Global Asset Management (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.

John returned to UBS in 1994 as a fund manager of UK equity and multi-asset portfolios for UK pension funds and charities. In 2005 John became UK Chief Investment Officer, a role he combined first with Head of UK Multi-Asset and then with Head of UK Institutional.

Following his retirement from UBS in March 2010 John has advised a range of large institutional funds. He spent 2 years as a Partner at Aon Hewitt and 1 year as a Senior Adviser at AllenbridgeEpic. More recently he has returned to fund management as a Director in the Multi-Asset team at Henderson Global Investors. John is also Independent Investment Adviser to the Surrey Pension Fund.

John pioneered the first specialist course on investment management for charities in the early 1990s and in 1994 he published Managing Charitable Investments as part of the ICSA Charities Management series. He is now a Visiting Professor in Charity Investment at Cass Business School, City University London.

**A diverse range of speakers**

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

**Guest lectures and debates**

**Cass experts:**
- Dr Jerome Booth
- Professor Andrew Clare
- Professor Andrew Hind
- Professor Stephen Lee
- Mark Salway
- Professor Steve Thomas

**Guest lecturers:**
- Lynne Berry OBE
- Stephen Brooker (LPFA Board)
- James Brooke Turner (Nuffield Foundation)
- Andrew Chapman (Health Foundation)
- Matt Cox (Esmee Fairbairn Foundation)
- Ian Theodoresen (Church of England, CFG)
- Fiona Young (Tudor Trust)

"The course gave me a much stronger perspective and foundation for assessing our asset allocation and fund managers’ performance."

Charity Investment Course Participant 2014
Key features of the Cass CCE Charity Investment Course

Module dates
14th - 15th April 2015; 2nd - 3rd June 2015; 7th - 8th July 2015

Cost
- £6,000 per participant. However, participants from eligible charities (those with investible assets in excess of £10m) will qualify for a fee reduction to £900
- There will be a £300 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.
- There is an Early Bird Booking rate of £600 per person (or £300 per person for organisations booking two or more places). Applications must be received before 13 March 2015 to qualify.

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
  - 14th-15th April, including evening of 14th April
  - 2nd-3rd June, including evening of 2nd June
  - 7th - 8th July, including evening of 7th July.
- Additional time for personal study.

Location
All modules will be held at Cass Business School’s Executive Education suite, on Aldersgate, 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.

Further information and how to apply
Please visit www.cass.city.ac.uk/charityinvestmentcourse

Or contact:
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Centre for Charity Effectiveness.

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“An excellent course. Well worth it. I hope you keep running it in future years.”
Charity Investment Course Participant 2014

“The professionalism and expertise of the speakers was remarkably high.”
Charity Investment Course Participant 2014

“Well positioned between an academic and simplistic approach. Very useful for CEO/CIO/FD as well as traders.”
Charity Investment Course Participant 2014
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.

Cazenove Capital Management

Achieving your charity’s investment objectives takes time and thought. Cazenove Charities takes pride in understanding the needs of charities today. The team of twenty four has a depth of resource, skill and experience to help your charity to meet its investment objectives, whatever the size or purpose.

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.