



Policy – Investment

NB. This is an abbreviated version for public viewing and is supported by the full policy which includes details about the governance of the Foundation's investments. To request the full copy of the Investment Policy, please email the Executive Officer E: info@intoourhandsfoundation.com.au

Approved by the Board	Next review date	Version
Nov 2019	Nov 2021	1

Introduction

Into Our Hands Community Foundation (the Foundation) is an independent grant-making and philanthropic Foundation established to support projects that enhance community strength, cohesiveness and wellbeing in North East Victoria. The Foundation was established in 2012 to continue the community recovery process after the 2009 Black Saturday bushfires. The Foundation has since established broad public benefit charitable funds that allow for broader grant making in initiatives that build community capacity, resilience and sustainability within our communities.

A skills-based Board of Directors governs the Foundation, offering a diverse range of expertise, experience and local knowledge across the region. All board members have a strong affiliation or connection to the local community.

Purpose

The purpose of this investment policy (the "Policy") is to assist the Board (the "Board") of the Into Our Hands Community Foundation (the "Foundation") and its Investment Committee (the "Committee") in effectively managing the investment of the Foundation's assets for Trust deeds and funds where this is allowed.

The Foundation investment program is defined in the various sections of this Policy by:

- Stating in a written document the Board's philosophy, expectations, objectives and guidelines for the investment of all Foundation assets.
- Setting forth an investment structure for managing all Foundation assets. This structure includes various asset classes and acceptable asset allocation ranges that in total are expected to produce a sufficient level of overall diversification and total investment return over the long term.
- Encouraging effective communications among the Board, the Committee and the

investment managers.

- Establishing criteria to select, monitor, evaluate and compare the performance results achieved by the Investment Managers on a regular basis.
- Complying with fiduciary, prudence and due diligence requirements that experienced investment professionals would use, and with all applicable laws, rules and regulations from various local, state and federal political entities that may impact Foundation assets.

1. Foundation Framework

There are four legal entities that make up the Foundation, and the Investment Policy covers the following three entities

1.1. Into Our Hands Community Foundation Limited (corporate Trustee for the Open and Public Funds) ABN 14 160 630 491

This Company is limited by guarantee, endorsed as a charity and acts as the community foundation for public charitable purposes. The Company acts as the trustee for three funds, each established for specific purposes. In addition, the Company operates an Open Fund. The Open Fund is used for gifts and donations where no tax deduction is sought or required.

The open fund's objective is to support a range of charitable and community activities in the region of North East Victoria.

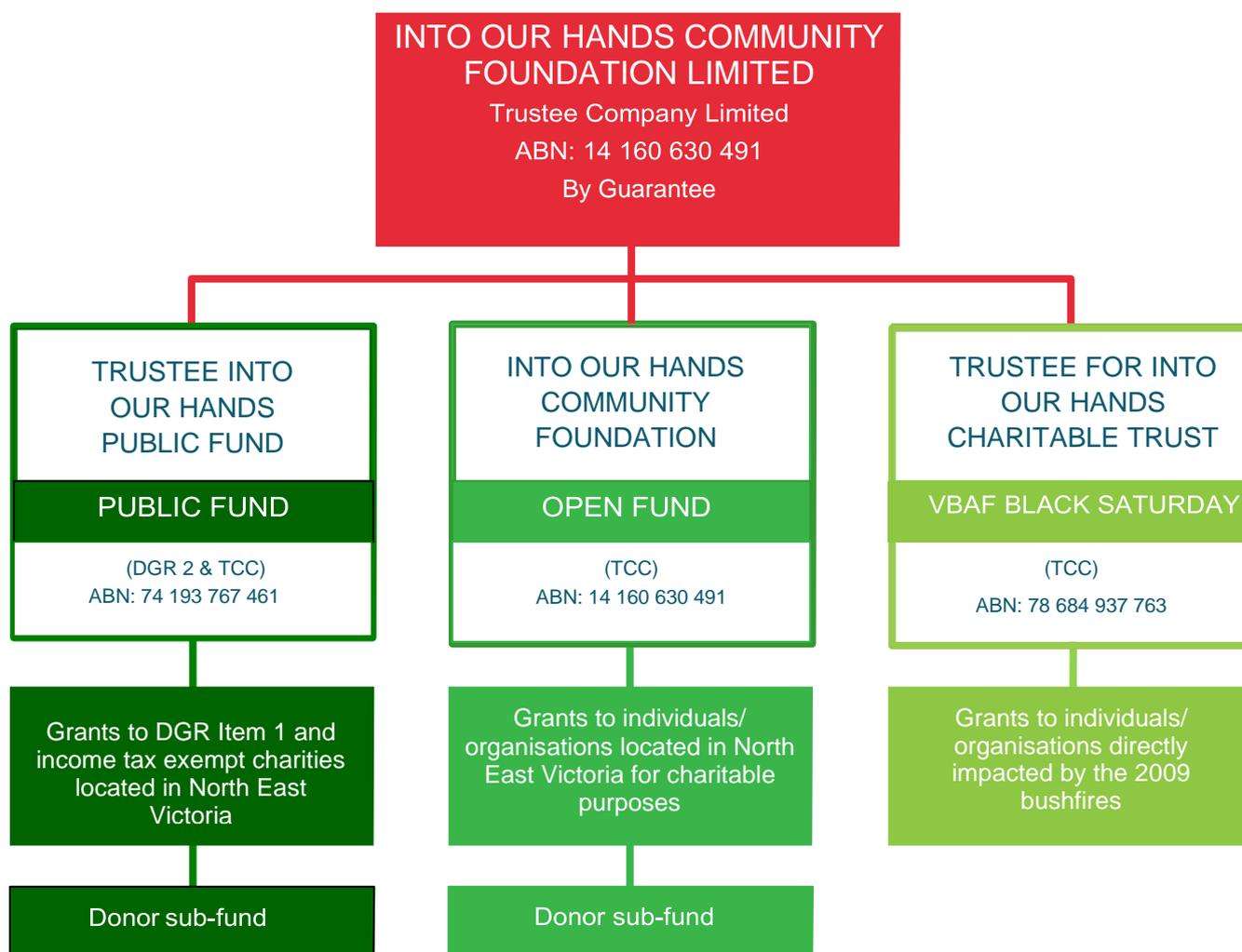
1.2. Trustee for Into Our Hands Public Fund ABN 74 193 767 461

The Public Fund is operated through a special purpose trust and is an item 1 Deductible Gift Recipient organisation. Therefore, the Public Fund can only make grants to Item 1 Deductible Gift Recipient organisations under Australian charitable tax law. The public fund receives gifts for which the donor seeks a tax deduction.

1.3. The Trustee for Into Our Hands Charitable Trust ABN 78 684 937 763

This special purpose trust is a charitable discretionary trust. Funds in this Trust must be directed to the same purposes as the bushfire trust. This Trust holds charity registration with the ACNC for general community benefit and can operate in perpetuity.

NB. The Investment Policy does not cover the Trustee for Into Our Hands Community Foundation (ABN: 25 339 900 740). This Trust was set up to administer the bushfire recovery fund and grant program following the Foundation's establishment in 2012. Currently, most of these funds have been granted to the community. The purpose of this Trust was to support the Alpine, Indigo and Wangaratta Shire communities affected by bushfire through a range of community strengthening, resilience building and recovery activities. This fund will close and wind up before 2022.



2. Investment Objectives for Foundation Funds

2.1. General Statement

The Foundation's overall investment objective is to manage assets to ensure long-term appreciation while allowing the Foundation to increase the level of grants available to invest in the ideas, people and skills of the community of North East Victoria.

This means that the Foundation seeks to grow a fund so that the total annual rate of return covers the Foundation's grant making, operating expenses, investment fees, and inflation.

The environmental social and governance (ESG) impact of the funds the Foundation invests is important to the Board. Investment vehicles that use a positive screen for businesses that manage their business for positive impact and shared value are desirable.

In managing the portfolio, the Committee will incur only those costs that are appropriate and reasonable in relation to the portfolio or any specific institutional fund, the purposes of the Foundation, and the skills available to it and will use reasonable efforts to verify facts relevant to the management and investment of the portfolio or any specific institutional fund.

The following factors must be considered, if relevant, in managing and investing the investment portfolio, including the requirements for any specific institutional funds:

- General economic conditions.
- The possible effect of inflation or deflation.
- The expected tax consequences, if any, of investment decisions or strategies.
- The role that each investment or course of action plays within the foundation's overall investment portfolio.
- The expected total return from income and the appreciation of investments.
- Other resources of the foundation.
- The opportunity for a positive screen with respect to environmental, social and governance performance.
- An asset's special relationship or special value, if any, to the purpose of the foundation..

Growth in the value of foundation assets is the primary investment objective, complemented by a secondary consideration for current income and reduced volatility. The investment strategy must therefore balance the desire for long-term capital appreciation with a need for safety of investments.

2.2. Exceptions

The Foundation also maintains certain pass through donor-advised funds, combined funds, and administrative funds which are not of an endowment nature and which may specify or require an investment approach that differs from the guidelines in this IP. In many cases these funds are maintained principally in cash equivalents or short-term fixed and variable income instruments with relatively high liquidity and with minimal downside risk or opportunity for appreciation.

The Committee may consider any donor's request to actively invest a portion of their pass-through fund in accordance with the investment strategy applied by the Committee to endowed funds.

3. Authority of the Investment Committee and the Executive Officer

3.1. General Statement

The Board of the Foundation will approve the overall investment policy for the Foundation based on recommendations by the Committee. The Board is ultimately accountable for the investments, but for purposes of efficiency has delegated oversight and management to the Investment Committee. As a result, the Board has delegated to the Committee full power and authority to make decisions relative to the investments of the Foundation, consistent with the Investment Policy (IP) approved and adopted by the Board. The Board must approve any deviations from the general IP as outlined in this document.

Investment managers will advise the Foundation promptly of any event that is likely to adversely affect the management, professionalism, integrity or financial position of the manager's firm or its progress toward the goals and objectives of this policy.

3.2. The Investment Committee shall:

- Establish the specific investment guidelines
- Review the investment strategy proposed by an investment manager
- Select, monitor and replace investment managers as outlined in Sections 5 and 6
- Meet as necessary, but not less than two times per year
- Review the Investment Policy Statement at least annually.

3.3. Executive Officer

The Executive Officer is authorised to transact business with any investment manager or broker retained by the Foundation. All instructions to an investment manager must be confirmed in writing by the Executive Officer or by the Chair of the Committee.

The Executive Officer of the Foundation is authorised to transfer funds for the purpose of investment within the guidelines established by the Investment Policy, and in line with the current authority for operating the Foundation bank accounts.

3.4. Treasurer

The Treasurer of the Foundation is responsible for accounting for all funds. The Investment Committee Chair will render quarterly reports to the Board regarding the investment performance of the Foundation assets.

4. Investment Guidelines

4.1. Time Horizon

The investment guidelines for the Foundation's assets are based on an investment horizon greater than three (or 5) years. Interim fluctuations should be viewed with appropriate perspective.

4.2. Risk Tolerances

The Board recognises that

- Risk (the uncertainty of future events).
- Volatility (the potential for variability of asset values including a loss of value when the market declines).
- Inflation (the possible loss of purchasing power) are present to some degree in all types of investment vehicles.

The Foundation's assets are to be invested in marketable securities or cash equivalents at all times. Investment risks are to be reduced by diversification. Exposing the Foundation's assets to undue risk is to be avoided; however, the assumption of a moderate level of risk is warranted and encouraged in order to allow the investment managers the opportunity to achieve satisfactory results consistent with the objectives of the Foundation. Short-term fluctuations in value shall be considered secondary to longer term results as defined by a full market cycle.

Document control			
Version	Date approved	Approved by	Purpose
1	Nov 2019	Board	To ensure the Foundation has a policy regarding investments