

**Queen's Own Royal West Kent
Regiment Museum Trust
Committee**

11 July 2017

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

Review of Investments

Final Decision-Maker	Queen's Own Royal West Kent Regiment Museum Trust Committee
Lead Head of Service	Head of Finance
Lead Officer and Report Author	Paul Holland, Senior Finance Manager (Client)
Classification	Public
Wards affected	All

This report makes the following recommendations to this Committee:

1. That the current investment be retained;
2. That investment performance be monitored and reported the Committee as part of future financial reports; and
3. That a further report be brought to the Committee should suitable alternative investments be identified.

This report relates to the following corporate priorities:

- Keeping Maidstone Borough an attractive place for all – ensuring that there are good leisure and cultural attractions.

Timetable

Meeting	Date
Queen's Own Royal West Kent Regiment Museum Trust Committee	11 July 2017

Review of Investments

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 At the last meeting of the Committee a request was made for a review of the investments held to be undertaken to ensure that the current investment was appropriate and generating an acceptable return for the Trust.

2. CURRENT INVESTMENT

- 2.1 Until 2014 the investments in the Trust were held in the Combined Charitable Capital Fund. At that point the fund manager (Collins Stewart Wealth Management) was acquired by Canaccord Financial Inc. and the Charitable Capital Fund was discontinued. The investment of the Trust was transferred to the CGWM (Canaccord Genuity Wealth Management) Select Bond Fund, where it is still invested.
- 2.2 The main difference between the two funds is the Charitable Capital Fund was exclusively for charities, whereas the Select Bond is open for investment by anybody. Whilst the Charitable Capital Fund sought to maximise capital growth within sensible risk parameters the Select Bond seeks to cap the volatility of the value of the investment at 6% annually. In that respect it is considered to be a suitable investment as maintaining the value and security of the investment is the main aim of the fund.

3. ALTERNATIVE INVESTMENTS

- 3.1 There are other investments designed exclusively for charities. The most commonly used one amongst the other Trust funds that the Council administers is one called Charifund, which is provided by M&G Investments. As with the original Charitable Fund investment they put a strong emphasis on the security of the investment.
- 3.2 For comparison purposes the table below shows what the quarterly investment income return would be with both investments based on the current value.

Value of investment at 31st May 2017	£23,919.96	
Fund	CGWM	Charifund
A -Unit Price at 31/5 (£)	£102.81	£16.28
B - Units Held	232.66	1,469.08
Value of Investment (A x B)	£23,919.96	£23,919.96
C -Dividend (Last quarter)	£0.88	£0.12
Investment Income (B x C)	£204.74	£176.29

3.3 As the table shows the current investment is performing slightly better than the Charifund investment at the moment, although of course this is a snapshot based on current figures.

3.4 There are a number of other charitable investments available. The Council uses investment advisors and it is suggested that they be approached with a view to identifying and comparing some suitable alternatives to see if there is a significantly better one available. If any are identified a further report will be brought to the Committee.

4. **PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

4.1 It is recommended that the current investment be retained; that investment performance is monitored and reported to the Committee as part of future financial reports; and that a further report be brought to the Committee should suitable alternative investments be identified.

5. **NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

5.1 Investment performance will continue to be monitored and reported to the Committee.

6. **CROSS-CUTTING ISSUES AND IMPLICATIONS**

Issue	Implications	Sign-off
Impact on Corporate Priorities	There are no additional implications arising from this report.	
Risk Management	Security of charity funds is paramount in any investment decision.	Senior Finance Manager (Client)
Financial	Investment income provides a source of income for the Trust to continue with its ongoing activities.	Senior Finance Manager (Client)
Staffing	There are no additional implications arising from this report.	
Legal	There are no additional implications arising from this report.	
Equality Impact Needs Assessment	There are no additional implications arising from this report.	

Environmental/Sustainable Development	There are no additional implications arising from this report.	
Community Safety	There are no additional implications arising from this report.	
Human Rights Act	There are no additional implications arising from this report.	
Procurement	There are no additional implications arising from this report.	
Asset Management	There are no additional implications arising from this report.	

7. REPORT APPENDICES

None.

8. BACKGROUND PAPERS

None.