

Investment Policy

1. Purpose

The purpose of this policy is to establish principles and a governance structure for the management and oversight of the Royal Australasian College of Medical Administrators (**College**)'s investment portfolio.

2. Scope

This policy applies to financial assets of the College that are expected to be surplus to operating requirements and can therefore be invested for the long-term.

It applies to the College, particularly the Chief Executive, the Finance and Audit Committee and the Board, as well as to the appointed Investment Portfolio Manager.

3. Policy Statement

3.1 Objectives

The primary investment objectives of the College are:

- a) **Capital Preservation:** Preserve the principal value of the portfolio to ensure the long-term financial stability of the College.
- b) **Liquidity:** Maintain sufficient liquidity to meet short-term operational needs and potential unforeseen expenses.
- c) **Growth:** Achieve a reasonable and sustainable rate of return to support the College's future growth and mission-related activities.

3.2 Investment Policy Statement

3.2.1 The College will appoint a professional Investment Portfolio Manager using a procurement process in line with the Purchasing of Goods and Services Policy and establish with them an Investment Policy Statement (**IPS**) that complies with this Policy.

3.2.2 The IPS will define the specific objectives, constraints and measures of success for the College's investment portfolio, as well as reporting for accountability and oversight. It will serve as a comprehensive roadmap for making investment decisions and provide a framework for aligning investment activities with the overall financial goals and mission of the College.

3.2.3 The IPS will include:

- a) Clear and specific financial objectives that the investment portfolio aims to achieve and a time horizon for achieving these objectives.
- b) A definition of the College's risk tolerance and willingness to accept volatility in the investment portfolio, considering factors such as the College's financial stability and capacity to absorb potential losses.

- c) Guidelines for the allocation of assets across different investment classes (e.g., equities, fixed income, cash, and alternative investments), target percentages for each asset class, and permissible ranges within which allocations can fluctuate.
- d) Specific rules and constraints (e.g., liquidity requirements, tax considerations, restrictions on certain investments, legal constraints) related to investment activities.
- e) Guidelines for incorporating Ethical, Social and Governance (ESG) considerations into investment decisions.
- f) Reporting requirements, including the frequency and content of performance reports.
- g) Frequency of reviews of the IPS.

3.3 Principles

The IPS will comply with the following principles:

- a) The investment portfolio will be managed, reviewed and adjusted where necessary in a pro-active way to meet the financial goals of the College.
- b) Investment selection will be guided by a prudent and disciplined process. Investments will be selected based on factors such as financial performance, credit quality, liquidity, and alignment with the College's values.
- c) The investment portfolio will be appropriately diversified.
- d) The College will adopt a long-term view to investments.
- e) The College is committed to incorporating ethical and social considerations into the investment decision-making process. In particular:
 - i. The College will not directly invest in, and minimise indirect exposure to, organisations whose operations are incompatible with its mission. In particular, it will not invest in any organisation with a major proportion of its operations in firearms, gambling, alcohol production and tobacco production.
 - ii. Where the College's investments at the time of adoption of this policy include organisations with significant operations in an area listed in (i), these investments will be over time converted into more socially responsible investments.
 - iii. The investment portfolio should include where appropriate investments that have a positive health impact.

3.4 Monitoring and Review

- 3.4.1 The investment portfolio will be regularly monitored and reviewed to ensure alignment with the IPS and to respond to changing market conditions.
- 3.4.2 Performance reports will be generated regularly as agreed in the IPS and provided to the key stakeholders listed in section 3.5.
- 3.4.3 Adjustments will be made as necessary to maintain the desired asset allocation and meet the College's financial objectives.

3.5 Roles and responsibilities

Body/Person	Responsibilities
Board	<ul style="list-style-type: none"> ▪ Oversee the overall financial health of the College. ▪ Define the College’s risk tolerance through the Risk Appetite Statement ▪ Appoint the Investment Portfolio Manager ▪ Approve the IPS ▪ Approve adjustments to and drawings from the investment portfolio in line with the Delegations of Authority Policy
Finance and Audit Committee	<ul style="list-style-type: none"> ▪ Develop and review the Investment Policy Statement (IPS) in collaboration with the Chief Executive and the Investment Portfolio Manager and make recommendations to the Board. ▪ Advise on the procurement process of the Investment Portfolio Manager. ▪ Monitor overall investment performance. ▪ Approve adjustments to and drawings from the portfolio in line with the Delegations of Authority Policy ▪ Oversee compliance with the IPS.
Investment Portfolio Manager	<ul style="list-style-type: none"> ▪ Develop and review the Investment Policy Statement (IPS) in collaboration with the Chief Executive and the Finance and Audit Committee. ▪ Implement investment strategies outlined in the IPS. ▪ Administer the portfolio investments. ▪ Provide advice on market conditions and the selection of investments. ▪ Conduct due diligence on potential investments and monitor investments on an ongoing basis. ▪ Monitor and report on the performance of the investment portfolio. ▪ Recommend adjustments to the portfolio as needed.
Chief Executive	<ul style="list-style-type: none"> ▪ Develop and review the Investment Policy Statement (IPS) in collaboration with the Finance and Audit Committee and the Investment Portfolio Manager ▪ Ensure budgetary considerations are reflected in investment decisions. ▪ Manage the procurement process of the Investment Portfolio Manager.

4. Related documents

- Investment Policy Statement
- Delegation of Authority Policy
- Risk Management Policy
- Purchasing of Goods and Services Policy
- Conflict of Interest Policy

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v2.0	April 2024	Full review of the policy and introduction of the Investment Policy Statement.	
v1.0	October 2019	New Policy	