



Charity & Trust Portfolio Planning Service



excellence • integrity • stewardship

Our Statement of Belief:

We firmly believe that a focus on trustee education and robust governance are the main keys to good financial stewardship.

Introduction:

The jch: charity team is dedicated to providing an asset management service in the fullest sense. Our aim is to preserve and grow assets for future goals, objectives and aspirations of your charitable organisation. We look to achieve this with a combination of successful investment strategies and careful planning to ensure that the prospect of reaching your desired result is optimised.

Charities need a sophisticated professional and bespoke service provided by a multidisciplinary team of specialists whose sole aim is to meet the increasing complexities of managing assets in a constantly changing world. We believe we provide that service and team based structure.

Key points to consider:

1. Are you confident in the overall investment policy and objectives of your charity?
2. Do the trustees agree on the balance between investment risk and return?
3. Are the trustees aware of the impact of environmental, social and governance factors?
4. Do any of your investments have tax implications for charities?
5. Are your permanently endowed funds invested in a way that helps meet long and short term aims?
6. Do you know the total return on your investments over the last year?
7. Do you know how your investment performance correlates to your financial goals on a continuous basis?
8. Are you aware of the **total** charges that you have paid for investment services?
9. Is your Investment Policy Statement drafted, regularly reviewed and a cornerstone of your investment strategy?
10. Our structured review service is designed to ensure the Board meets its responsibilities and focuses on the evolving position of the charity.



jch: charity & trust portfolio planning service

Our service is designed with the simple objective of giving you clarity and a full understanding of the investment strategy to be used or being used by your existing wealth manager(s). As well as leading to potentially enhanced returns, our service will also help the trustees meet their statutory duties under the Trustee Act 2000.

The service is suitable for Not-for-profit organisations, charities and trustees who engage third party wealth or investment fund managers.

Helping you to create and maintain a robust investment review:

We will work with you, and your other trusted professionals, to create a robust investment review proposition.

Developed specifically for your organisations individual situation it will:

1. Review your financial objectives as set out in your Investment Policy Statement
2. Review the suitability of the benchmarks set
3. Identify risks in your portfolio and explore how to deal with them
4. Review the performance of your existing investment portfolio/investment manager
5. Undertake a cross market comparison
6. Review all costs and document those clearly

We will continue to review your financial plan on an agreed basis to ensure you remain on track to meet your goals.

Your financial requirements and goals will of course change, we will take a long term view of your organisation's needs.

By taking this approach you can relax in the knowledge that the path to your organisations financial goals are being closely monitored and managed to ensure both goals and expectations are met in the most effective way possible.



The six stages of the jch: investment review process

Our structured process is designed to:



By employing our six stage investment review process we are able to provide you with a consistent approach from our financial planning team. Our team is trained to know exactly where you are in your review journey and employs the same robust planning process regardless of their role.

The six stage process allows us to optimise the service we can deliver for you.



Step 1 – Review your objectives:

We regularly find that the investment strategy has broad, investment specific objectives, such as “**producing growth above inflation**”, which often have no real relation to the actual needs of the charity. The first step is to go back to basics and really understand what your true objectives are.

We will have a thorough discussion around investment risk, liquidity constraints and operational aspects relating to your specific situation, identifying both your willingness and ability to take on investment risk in order to target the required investment returns. You should consider the following questions in terms of your financial goals:

1. Where are you now?
2. Where do you want to be?
3. How will you get there?
4. How will it look when you get there?
5. What happens if you take no action?

Step 2 – Review the suitability of any benchmarks:

Having confirmed your objectives, along with a suitable risk/return strategy, we then turn to helping clients set meaningful benchmarks with which to judge the portfolio performance. This could be a relative return benchmark, i.e. compare the portfolio performance to a benchmark portfolio of similar risk, or it could be an absolute benchmark, such as 5% p.a. or RPI/CPI. Having taken the time to understand your objectives, incorporating a suitable benchmark becomes a relatively straightforward task.

Step 3 – Identify portfolio risks:

Having identified the suitable level of risk in the portfolio we will analyse the existing portfolio to look at both the asset allocation of the portfolio and also the historical volatility in the portfolio. We are able to recreate the portfolio using our analysis software, which interrogates the portfolio giving full visibility over the underlying asset allocation. From this information we are able to assess the true risks in the portfolio, make observations around the various weightings in the portfolio, and offer indications of how the portfolio would respond to different market conditions.

Step 4 – Review portfolio performance and costs:

We are able to project investment performance based on the current holdings in order to provide more detailed and rigorous quantitative data with which to compare the existing portfolio against the relevant benchmark. This could simply be a plot of portfolio performance over time, or it could be a more sophisticated risk-adjusted analysis aimed at evaluating critically the real portfolio efficiencies and shortcomings. We will also ensure that you are fully aware of all the costs associated with your investment holdings, that they are appropriate for the investment service being provided and how those costs effect the overall portfolio position.



Step 5 – Cross market comparison:

While reviewing the investment strategy we will also offer general observations regarding the way the investment portfolio is managed. As we deal with a number of wealth managers we are familiar with the different styles and strategies employed. This enables us to identify areas where existing strategies could be improved, and in extreme cases look to recommend the replacement of the existing portfolio manager with an alternative manager if we feel the investment strategy is not performing in the interests of our client.

Step 6 – Document findings:

Leaving no question unanswered

- We will present you with your detailed investment review
- A jargon-free explanation will be provided
- You will have the opportunity to ask questions and provide feedback
- We will address any of your concerns

Fee structure:

Our simple and transparent approach to charging ensures that you are fully aware of all costs associated with delivering your investment review from all parties involved in the process. We produce a bespoke Client Agreement at engagement and detail all costs and charges in our investment proposal, prior to implementation of an investment strategy.

We have focused our charging structure around a foundation of providing a competitive cost for the Board whilst balancing the highest service standard and giving back. We are committed to donating a percentage of our profits to charities.



Your investment review team:

Please see our attached brochure for full details of the team and further information on our investment philosophy, or visit:

www.jchim.co.uk/about-us/our-people

Useful information and resources:

Charity Commission CC3 – The essential trustee: what you need to know, what you need to do
[CC3 - The essential trustee](#)

Charity Commission CC3 – The essential trustee: 6 main duties
[The essential trustee: 6 main duties](#)

Charity Commission CC14 – Charities and investment matters: a guide for trustees
[Charities and investment matters: a guide for trustees](#)

Charity Commission CC14 – Legal underpinning
[Charities and investment matters: Legal underpinning](#)

Charity Commission CC25 – Charity finances: trustee essentials
[Charity finances: trustee essentials](#)

Charity Commission – 15 questions trustees should ask
[15 questions trustees should ask](#)

jch: investment management Cash Management Service
<http://www.jchim.co.uk/cash-management>

<http://www.step.org/>



Where jch: investment management can add value:

1. To give you confidence in the overall investment policy and objectives of your charity
2. To help the trustees agree on the balance between investment risk and return
3. Ensure the trustees are aware of the impact of environmental, social and governance factors
4. Ensure any ethical exclusions stipulated in the Investment Policy Statement are fulfilled
5. Highlight any investment tax implications for your charity
6. Ensure permanently endowed funds are invested in a way that helps meet long and short term aims
7. Ensure you know the total charges you pay on your investment portfolio
8. Compare the total return on your investments against the stated benchmark
9. Ensure you know how your investment performance correlates to your financial goals on a continuous basis
10. Document and review the entire process continuously to optimise the delivery of your charitable objectives

The content of this brochure is for information purposes only and does not constitute a personal recommendation. Always seek independent financial advice before taking any action.

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