

Title	Investment Policy Document
Category	Corporate
Author(s)	Tony Saunders
Responsible Director	Tony Saunders, Director of Finance and Chief Operating Officer
Approved by	Resource & Finance Committee June 2026 and Policy Approval Group 27 August 2026
Date issued	August 2026
Version	4
Next review due	August 2027

Version control

Version	Date issued	Brief summary of changes
1	February 2021	
2	July 2023	Revised
3	17 June 2025	
4	20 July 2026	Reviewed and no changes to policy

1. Introduction

St Luke's Hospice ('St Luke's' or 'the Hospice') was incorporated on 15 November 1967 as St Luke's Nursing Home Limited, a company, limited by guarantee and not having a share capital and, under its Memorandum and Articles of Association, the company is established for charitable purposes only, having the objectives:

'To relieve sickness and assist in the treatment and care of persons suffering from mental and physical illness of any description and in particular:

a) by providing an establishment or establishments for sick persons where they can be given the accommodation, attendance, medical care and treatment and nursing which by reason of their sickness they require;

b) by conducting, exploring or encouraging research and the evaluation of improvements in the care of the terminally ill person and that person's carers and relatives and to disseminate the useful results of such research;

c) by providing palliative care in the community and by providing support for the carers and relatives of terminally ill persons.'

2. Policy Aims/Objectives

See below in Policy Scope.

3. Roles and Responsibilities

See below in Policy Scope.

4. Policy Scope

4.1 Financial Background

The Charity owns the property and land in Sheffield from which the Hospice operates as well as several shops from which it trades in order to generate revenue for the charity with a total value of c.£15m. Income is derived by a combination of NHS Grants, legacies,

This document is electronically controlled. The master copy is maintained by the author and stored on the intranet. Once printed, this document becomes uncontrolled. For assurance that the most up to date guidance is being used, staff should refer to the version held on the Intranet.

fundraising and income from the retail shops. From time to time there will also be income received as the result of a capital appeal.

4.2 Investment Powers

The assets of a charity must be invested in accordance with the governing instrument and the Trustee Act 2000.

4.3 Investment Policy

The overall objectives are to create sufficient income and capital growth to enable the charity to carry out its purposes consistently year by year with due and proper consideration for future needs and the maintenance of, and if possible, enhancement of the value of the invested funds while they are retained.

	<i>Standard Criteria</i>
<i>Objective</i>	<i>'Balanced' return between income and growth</i>
<i>Risk</i>	<i>Medium (Risk Level 4)</i>
<i>Mandate</i>	<i>Discretionary</i>

Both capital and income may be used for the furtherance of the charity's aims.

The capital base is to be maintained in a mixed portfolio of investments. The portfolio asset allocation ranges are set out below:

Asset Class	Ranges	Comparative Indices
	%	
		7.5% BofA Merrill Lynch Gilt 5-15 Years
Fixed Interest	10 - 35	7.5% BofA Merrill Lynch £ Corp and Collateralized Index
		5% BofA Merrill Lynch Inflation Linked Gilt 1-10
Equities	45 - 75	30% MSCI United Kingdom Equity IMI (Net)
		30% MSCI ACWI World Index Ex UK (Net)
Property	0 – 12.5	5% MSCI UK IMI Liquid Real Estate (Net)
Other Assets	2.5 - 20	10% IWI Alternatives Composite
Cash	0 - 20	5% Bank of England base rate -0.5%

- i) Bonds. The investment manager will hold a prudent range of fixed interest securities that might include Government Bonds, Corporate Bonds, Collective Funds, Preference Shares or PIBS.
- ii) Income Target. Commensurate with the above asset allocation.
- iii) Restrictions.
 - a. No direct individual investment, with the exception of government bonds, should exceed 5% of the total value of the funds under management. For Collectives the limit is 10%.

This document is electronically controlled. The master copy is maintained by the author and stored on the intranet. Once printed, this document becomes uncontrolled. For assurance that the most up to date guidance is being used, staff should refer to the version held on the Intranet.

- b. Direct investments in negotiable instruments known as “derivatives” are not permitted.
- iv) Ethical considerations

St Luke's is a value led charity that takes a responsible approach to environmental, social and governance (ESG) issues in regard to investments.

We have appointed professional Investment Managers (Rathbones) to act on behalf of St Luke's, who are expected to consider ESG factors in all investments made with our funds and in particular:

- Not directly invest St Luke's funds in any company that carries out activities that are contrary to the aims and objectives of the charity or that could damage the charity's reputation
- Not directly invest in any company with which it would be reasonable to hold significant ESG concerns and undertake appropriate due diligence of all companies before investing
- When investment is undertaken via collective units (unit and investment trusts) it is expected that Rathbones will engage with the appointed fund managers on matters of corporate governance and that an integrated ESG approach that follows Rathbones investment process for pooled funds be applied to all collective units purchased with St Luke's funds.

Through the appointment of independent professional Investment Managers, we believe that we have taken all reasonable steps to minimise indirect investment in sectors contrary to the aims and objectives of the charity, that could damage the charity's reputation, or in companies that fall below the high ESG standards within which we aspire our portfolio to be invested. We are mindful that in spite of the good intentions of this policy, it is possible that indirect investment of this nature may be made, however it should never be material in relation to the aggregate of the St Luke's investment portfolio.

St Luke's commitment as a result of the application of this policy is that we will invest an increasing proportion of the portfolio in stocks and funds that have a positive ESG impact.

The objectives are to be achieved by investing prudently in a broad range of fixed interest securities and equities which are quoted on a Recognised Investment Exchange and unit trusts and OEICs (open ended investment companies) which are authorised under the Financial Services and Markets Act 2000.

4.4 Dividends and Interest

Dividends and interest are paid away on a monthly basis.

4.5 Investment Manager

- i) Remuneration –Rathbones receive an annual fee of 0.4% + VAT, charged quarterly in arrears.
- ii) Insurance – Rathbones will provide evidence of the firm's insurance cover on request.

5. Training Requirements

None.

6. References

None.

Investment Policy - Appendix 1

Authorised parties

The following parties are authorised by the trustees to issue instructions to Rathbones. Payments to third parties require two signatures.

- Angus Ridge – Trustee, Chair of the Resource and Finance Committee
.....
- Jo Lenton – Chief Executive
- Tony Saunders – Director of Finance and Chief Operating Officer
.....

Signed: _____

St Luke's Hospice
Little Common Lane
Sheffield
S11 9NE

Tel: 0114 2369911

Rathbones is an authorised person within the meaning of the Financial Services and Markets Act 2000 and will manage the investment portfolio on the basis of the above instructions.

Countersigned: _____
(On behalf of Rathbones)

Beech House
61 Napier Street
Sheffield
S11 8HA

Tel: 0114 2755100

Date: _____