

## **Comic Relief Implementation of the New Investment Policy – Six Month Review**

### **Introduction and executive summary**

In May 2014 the Trustees of Comic Relief agreed a new investment policy. The policy was created following a comprehensive review into the charity's previous approach to investing. All five recommendations made by the review panel were adopted as part of the new policy. More information on the review and its recommendations can be found [here](#).

Six months on, the Trustees carried out a review of how the new investment approach is being applied. This paper sets out progress against each of the five recommendations as well as how information about investments will be published.

In summary, the changes have all been implemented and good progress has been made with re-investing the portfolio. The list of information to be published and the specific areas of exclusion were also considered at this six month review with no changes proposed.

### **1. Comic Relief will not make investments in companies that manufacture armaments or tobacco products or whose primary business is the manufacture of alcohol products.**

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Comic Relief has no investments in any company that manufactures armaments or tobacco products or whose primary business is the manufacture of alcohol products.

The Trustees considered these exclusions as part of the six month review. It was agreed that no changes would be made given the consistent landscape since adoption of the original exclusions.

### **2. Comic Relief has signed up to UN Principles for Responsible Investment (UNPRI) as a sign of its commitment to responsible investment and to provide membership of a network of responsible investors from which Comic Relief can learn best practice, as well as becoming part of the Charities Responsible Investment Network (CRIN)**

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Comic Relief signed up to the UNPRI and the CRIN in May 2014. Membership continues and work is being progressed on how to leverage these networks further.

**3. Comic Relief will be more transparent about its investments in published annual accounts, including publishing a list of funds, breakdown by asset class and specific investments over £5m. It will continue to publish the proportion of Comic Relief's assets that are unallocated as grants (or allocated but yet to be paid out as grants).**

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Comic Relief's annual accounts will be published later in the year. In the meantime, and in the interest of transparency, the list of funds, breakdown by asset class and specific investments over £5m have been included below,

At the 31 December 2014 Comic Relief had the following investment portfolio:

	<b>£'000</b>
<b>Global Equities</b>	
Dow Jones Sustainability Global Equity Fund	21,744
Directly held global equities*	47,695
<b>Private Equity</b>	
Bridges Community Development Ventures Fund II LP	1,408
Schroders Private Equity Fund of Funds III	3,530
<b>Property</b>	
F&C Commercial Property Trust	16,933
Charity Property Fund	14,604
<b>Cash held for reinvestment</b>	33,541
<b>Total</b>	<b>139,455</b>

\*no individual holdings exceeded £5 million

**Balance on grant funds 31 December 2014**

Unallocated grants	£41m
Grants allocated but yet to be paid out as grants	£130m



**4. Comic Relief will build stronger links between its Investment Committee and Trustees to ensure that Comic Relief's strategy and investment policy are aligned, including all opportunities and appropriate risk assessment – this will include the addition of two Trustees to the Investment Committee.**

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Comic Relief Trustees Diana Barran and Colin Howes have now joined the Investment Committee.

Throughout 2014, the Trustees have been regularly briefed by the Business Director and Investment Committee chair on progress of the Investment Review implementation and subsequent re-investment decisions. Comic Relief continues to assess the risk of specific investments against the need to protect the capital available for our grant making. Final decisions on investments are taken by the full board.

**5. Comic Relief will continue to set aside a small proportion of its capital for social investment, as it already does through grant making and in its investment portfolio**

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As at 31 December 2014, Comic Relief currently holds £4.8million of social investments. This is held in Kuapa Kokoo loan (£2.4m), Shared Interest loan (£1.0m) and Bridges Ventures Fund (£1.4m)

**6. Review of the information to be published**

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Trustees agreed that the information to be published will remain as recommended by the review panel, as below:

*Year round:*

- *A statement of the information that will be published on investments*
- *Approach and criteria for investment decision making*
- *The list of sectors (and potentially also some individual companies) which have been excluded from the portfolio*
- *The fact that Comic Relief has signed up to UN PRI*

*As part of published accounts:*

- *A list of funds*
- *A breakdown by asset class*
- *Specific investments of over £5m*
- *The proportion of Comic Relief's assets that are unallocated or allocated (and yet to be paid out)*