

# CHARITY INVESTMENT REVIEW SERVICES

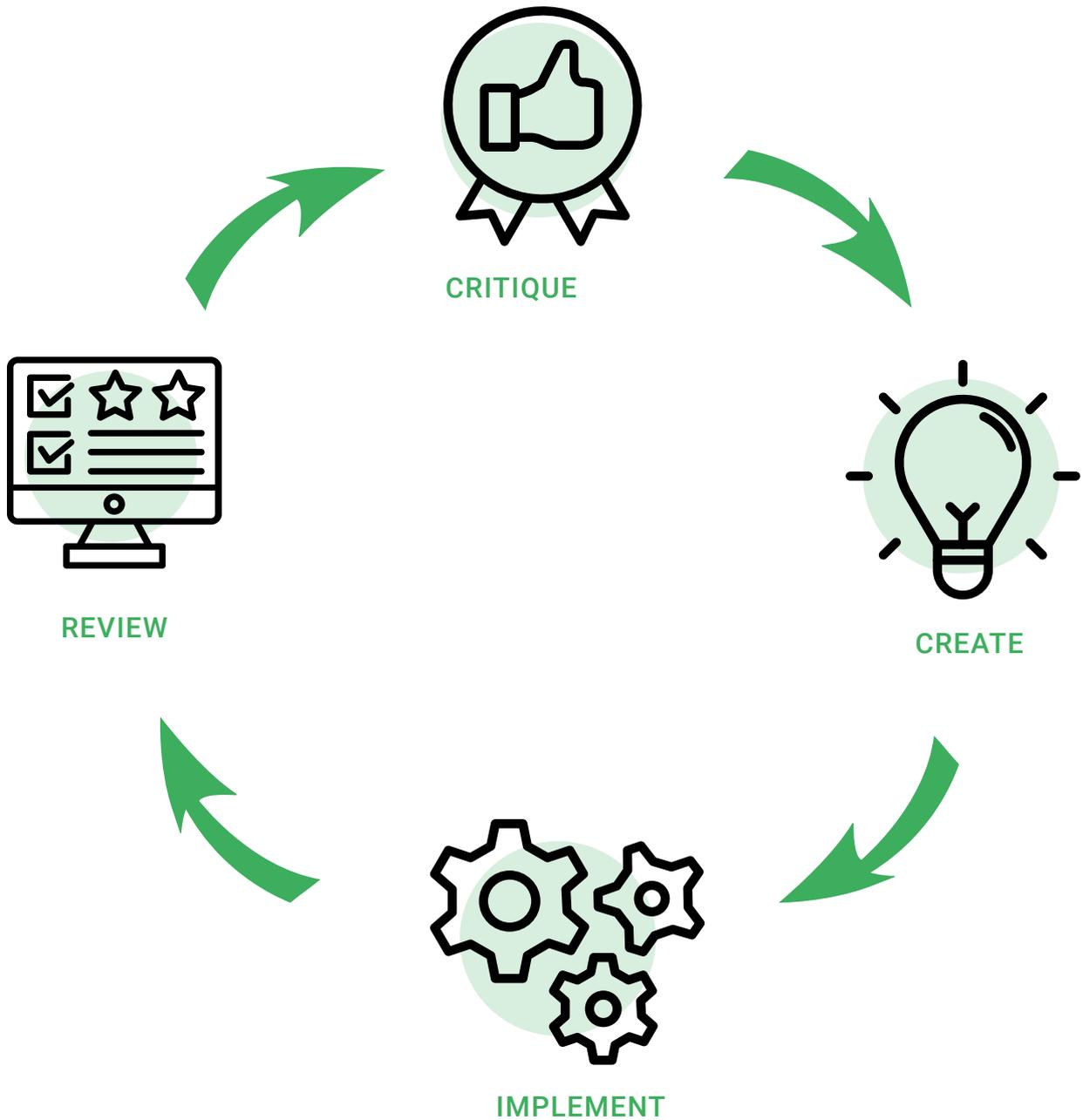


NICHE ETHICAL



Chartered

Our Charity review service provides an independent review of a charity's investment planning strategy or assists a charity in setting one up for the first time. We can assist you to create a robust investment policy, in line with the charity's objectives and review this periodically to ensure continued suitability.



## STAGE 1 CRITIQUE

**Review of current investment policy and set out financial objectives.** This will also take note of any ethical investment preferences, as well as review the existing manager's performance. We can review the charges and performance of your existing investment strategy including a review of platform costs. Trustees will be consulted on the risk appetite and investment horizon as well as desired ethical screening, in line with capital and income requirements. We will then assist you to produce a Statement of Investment Principles (SOIP) or Investment Policy which is an essential part of your internal governance.

## STAGE 2 CREATE

**Creation of an investment strategy on whole of market basis.** Once a clear investment policy is agreed we can then move on to create an appropriate investment strategy. It is important to note that this is not a one size fits all approach and that it often involves a combination of investment strategies. This will also include finding appropriate cash accounts for short term liquidity, thereby reducing the eroding effect of inflation on the charity's funds. Academic studies have proven that the biggest drag on investment performance is cost, and we will look to reduce overall cost as much as possible which will improve long term portfolio returns.

We will also align the strategy to your investment policy and objectives to create a financial plan with our proprietary cashflow modelling software.

We take a common sense approach to financial planning and aim to simplify the complicated jargon often found within investment manager's reports, while making sure that all are linked to the charity's objectives. This can often mean a blend of cash management, use of retail investment funds and discretionary fund managers.



## STAGE 3 IMPLEMENT

The implementation of a suitable investment strategy. With a huge number of investment providers in the UK, finding the right one can be a time consuming and daunting task. At this stage we can implement an investment strategy at a market leading cost point. We work with specialist charity investment managers and can invite a number from our panel to tender for this process. As a successful financial planning firm we regularly conduct due diligence on a whole of market basis on these managers, and review their performance on an ongoing basis relative to chosen benchmarks.

When selecting investment managers, you have two options:

**Option 1** – Outsource the selection of the investment manager to Niche where we will select what we believe to be the most appropriate strategy based on the process below in “Our Investment Process”.

**Option 2** – Some charities prefer to stay actively involved in the manager selection and here we would look to arrange a coordinated tender process and facilitate and chair a panel interview of potential investment manager candidates.

## STAGE 4 REVIEW

The ongoing review of suitability in line with objectives. We can assist with your ongoing due diligence and assess the ongoing suitability of your designated investments in line with your investment policy and objectives. This includes the ongoing reporting and suitability and attendance of Trustee meetings.

There is no obligation to engage Niche for an ongoing reporting and suitability service however we find that clients value our continued oversight, which also involves a review of the investments in line with objectives as discussed in point one. The frequency of these meetings can be decided with the Trustees and would be charged on a fixed fee basis meaning that costs are only incurred when professional advice and reporting are required.



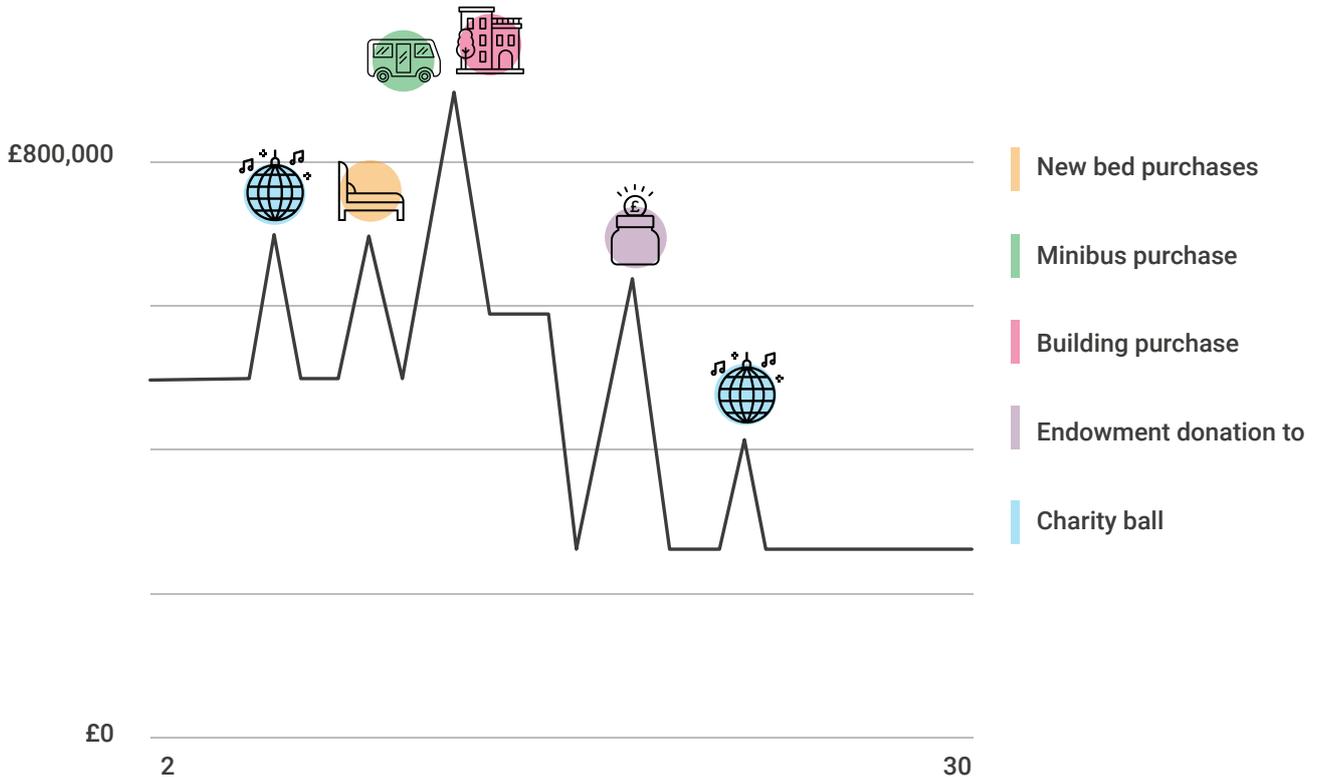
# OUR INVESTMENT PROCESS

## Establishing Goals and Cashflow Requirements

A fundamental of financial planning for Charities is ensuring the availability and sustainability of cashflow from your fundraising efforts and income from your reserves.

We use a state of the art, proprietary cashflow modelling tool called CashCalc to forecast and visually demonstrate the ongoing sustainability of your cashflow situation and this ultimately helps you navigate your financial journey both visually and numerically.

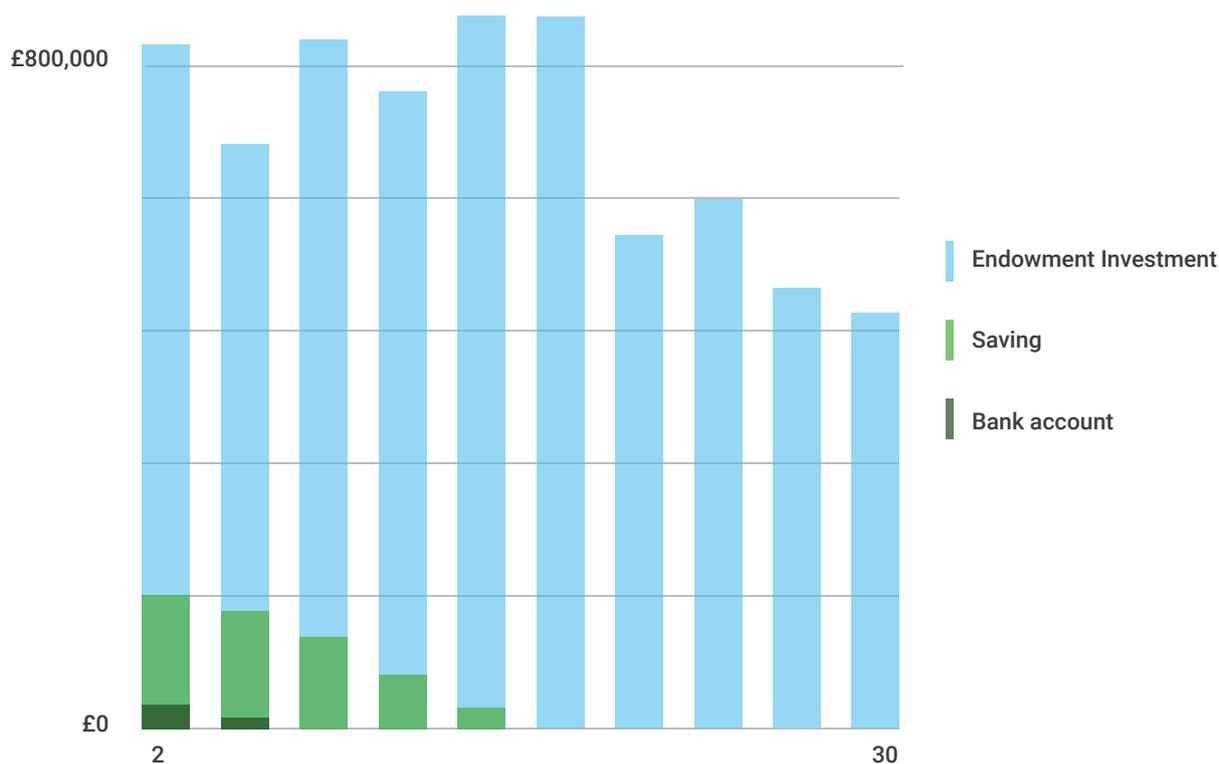
We can stress test your future plans and charitable aspirations through a variety of market conditions to give the charity trustees and key stakeholders the confidence to make financial decisions for the years to come.



Once we have established your goals, we then move on to selecting an appropriate investment vehicle to meet your needs. We will work hard to make sure your investments work for you, with the same careful consideration, thorough research, due diligence and ongoing management.

**We will always:**

- Aim to achieve the best possible returns at the risk level chosen by making long-term, diversified investments in regulated investment funds.
- Ensure liquidity of investments to meet the charity's income needs and maintain a cashflow plan that details the ongoing requirements.
- Keep your investments on track, by watching and fine-tuning your portfolio regularly to keep it in step with your chosen risk profile in conjunction with our investment partners.



# CASH MANAGEMENT

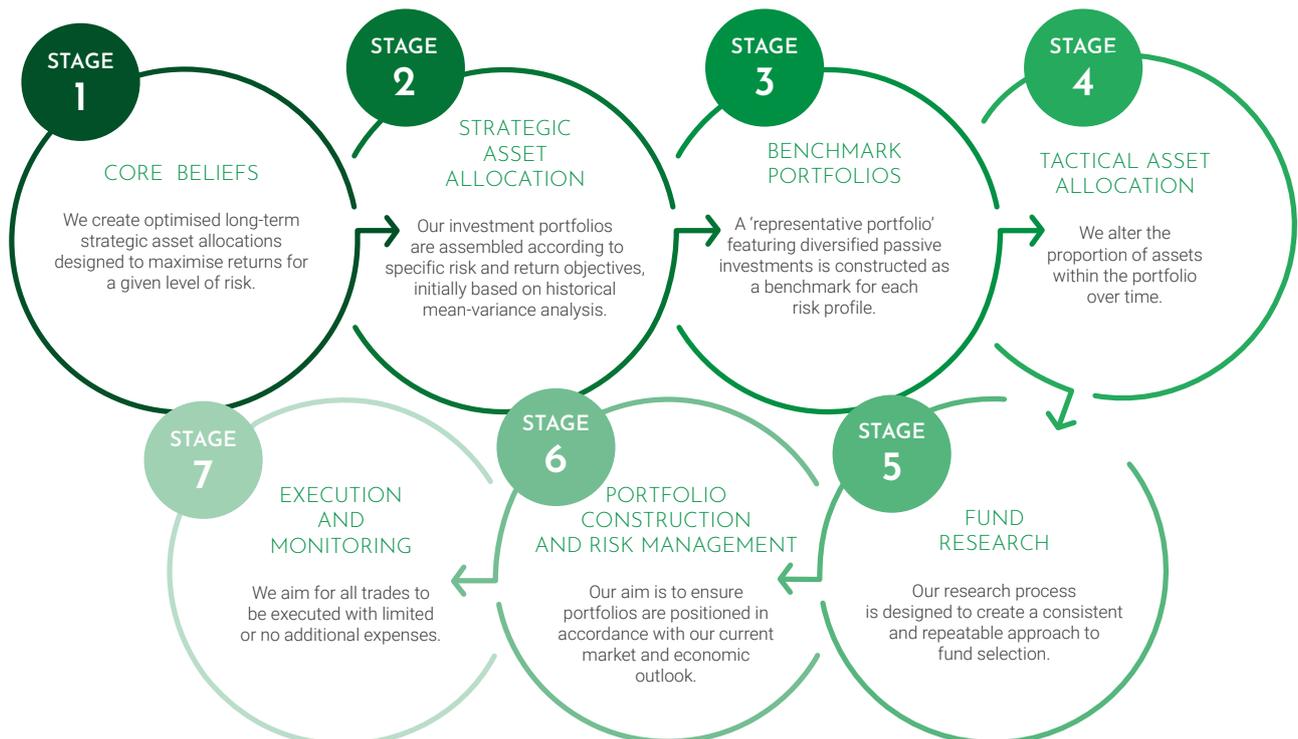
Our cash management service supports charities in administering and monitoring their cash savings portfolio - balancing the different terms held with the protection across banking licences. Many charities lack the time in their busy schedules to be able to comprehensively search the UK market for all sterling rates checking for both availability and eligibility, which is where we can help.

Our service tracks all rates and the unique idiosyncrasies of each account and provider on a daily basis on your behalf. This unique, independent and whole-of-market dataset makes accessing the best accounts for you a time efficient and streamlined process.

Deciding to implement greater protection onto a cash portfolio by spreading it across different banking licenses is a sensible and logical call to make, but then navigating the account opening of multiple accounts across different providers can be a tricky and time-consuming process for you. Our team works closely with each provider to streamline account opening on your behalf. Once you have completed a simple client profile with us, our team will then use this information to pre-populate all forms so that gaining protection becomes a lot easier to achieve. Our ongoing monitoring then keeps administration requirements light for you as we liaise with providers where possible, providing regular holdings reports and notifications for rate drops, better rate opportunities and approaching maturities.

# INITIATION TO IMPLEMENTATION

Alongside our investment partners, we will begin by understanding investor's needs, performing extensive research and building appropriate portfolios, before monitoring their suitability and investment performance on an ongoing basis. (The value of your investment can go down as well as up and you may get back less than the amount invested.)



## BESPOKE SERVICES

The Bespoke service offers the opportunity of using the agreed risk profiles but designing a portfolio that is specific for the charity's individual objectives and ethos. It has the advantage of utilising the widest possible range of investments. These investments are carefully screened and constructed to ensure the specific charity requirements are actively managed. Some examples would be a charity having a specific income requirement over a specified time line; or the portfolio reflecting the charity's specific ethos with its investments. To achieve this the strategic asset allocation of the portfolio is reviewed on, at least, a quarterly basis whilst the tactical asset allocation is reviewed on a weekly basis. The underlying composition of the Bespoke Charity portfolio involves a four-stage screening process with over 40 factors taken into account before an investment is included in a portfolio.

The Bespoke portfolios are constructed and actively managed by investment experts who understand the responsibilities that fall on Trustees from both an investment and reporting requirement with information provided that is tailored to meet those requirements.





*To follow on for our Ethical investment service, our charity investment service was created after discussions with some of our clients that have had long and distinguished careers in the business world. We can help with a charities internal governance process and use our expertise to add value on a whole of market basis.*

**ALED PHILLIPS**  
Operations Director

*Our objectives at Niche are to offer a fair charging structure on a fixed fee basis, and to increase the availability of high-quality financial planning. Our charity service follows the same ethos as our financial planning business, with ethics and value at the center of everything we do.*

**MATT WILTSHIRE**  
Managing Director

# CONTACT US

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We pride ourselves on the service that our clients receive and build our business from the referrals of satisfied clients. If you know of someone who would benefit from the services Niche Ethical provide, please let them or us know. We will be more than happy to help.

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