



Specific Terms of Reference of the Financial Assets Sub-Committee

To be read in conjunction with the Terms of Reference Applicable to all Committees

- Adopted by the Board of Trustees 22 September 2005
- Amended by the Board of Trustees 22 May 2008
- Amended by the Board of Trustees 15 May 2014
- Amended by the Board of Trustees 15 May 2015
- Amended by the Board of Trustees 12 June 2025

Constitution

The Financial Assets Sub-Committee (the "FASC") (previously named the Investment Committee) is formally constituted as a sub-committee of the Audit and Risk Committee by the Board of Trustees and whose terms of reference are approved by the Board of Trustees.

Purpose

The FASC will oversee the effective utilisation of the Trust's financial and other assets, and loans, in accordance with the policies set by the Board of Trustees and will make recommendations to the Board of Trustees as needed.

Membership

The FASC's members will be appointed in accordance with the Terms of Reference Applicable to all Committees and with the addition of the following clauses:

- Two members will consist of members of the Audit and Risk Committee.
- The Chair will not normally chair any other committee.
- The Trust's CEO (or Interim CEO as the case may be) and the Trust's Director of Finance (or Interim Director of Finance as the case may be) will be appointed as members and will remain as such throughout their employment in such role.
- At least one member should have a financial background, ideally from the investment industry.

Meetings

The FASC will meet at least twice a year and in alignment with the Trust's investment reporting cycle(s), and at such other times as may be considered appropriate.

Duties

To undertake whatever actions the FASC feels appropriate to achieve its Purpose, but to include:

1. Consider the appointment and performance of the regulated discretionary portfolio managers (the "DPMs"), the DPMs' fees, and any questions of resignation or dismissal.
2. DPMs to present a report to the FASC on an annual basis, with such report to be used by the FASC to undertake the DPMs' performance review alongside the Audit and Risk Committee. The overall selection of the DPMs will be reviewed every 3 to 5 years.
3. Discuss with the DPMs the long-term approach to the projected return on financial assets, with particular reference to its projected returns of income and capital, risk adjusted returns net of costs, projected performance, controls, level of investment risk and scope of investment portfolio.
4. Undertake appropriate cash and bank account oversight functions via ensuring:
 - a. The Trust has sufficient liquidity to meet its short-term cash flow requirements; and
 - b. DPMs are investing surplus cash (excluding operational cash) with diverse institutions with a minimum rating of A-appropriate ratings as agreed from time to time or in a diversified money market fund with an equivalent rating.

5. Review and make recommendations to the Audit and Risk Committee on the Trust's investment policy, with particular focus on sustainable and ethical investment considerations and the overall risk appetite that the DPMs should adhere to.
6. Review the DPMs' investment performance report before submission to the Audit and Risk Committee, focusing particularly on:
 - Overall adequate reporting quality
 - Significant changes from 'normal' investment return levels
 - Ensuring a clear understanding of the impacts of external factors
 - Outlining areas of risk
 - Any presentational issues having particular significance to the public perception of the organisation
 - Receiving during the course of the year reports on any matters that may impact on the Trust's funds and assets contained within the investment portfolio.
7. Discuss any problems or reservations arising from the DPMs' work and any other matters that the DPMs may wish to bring to the attention of the FASC.
8. Advise on the requirement for borrowing, help review the market, discuss with management the terms and finally recommend to the Audit and Risk Committee any loans.
9. Consider the use of the significant assets of the Trust, including land or property, and recommend any purchases or sales to the Audit and Risk Committee.
10. Report to the Audit and Risk Committee on areas of risk related to investments, loans and significant assets.
11. Authorise management to temporarily exceed the budgeted drawdown when necessary, for example because of seasonally reduced or uneven income streams.

Reporting Procedures

The FASC's reporting procedures will be in accordance with the Terms of Reference Applicable to all Committees, with the exception of the following:

The FASC Chair will report to the Audit & Risk Committee, as appropriate, on its proceedings after each FASC meeting and the Audit & Risk Committee Chair will report key matters to the Board of Trustees (and may delegate such reporting to the FASC Chair/in accordance with the Terms of Reference Applicable to all Committees).