

<b>The Cam Academy Trust INVESTMENT POLICY</b>	
<b>Approved in consultation with the Audit and Risk Committee on behalf of the Trust Board:</b>	<b>19<sup>th</sup> November 2021 15<sup>th</sup> December 2021</b>
<b>Reviewed without amendments:</b>	<b>September 2023</b>
<b>To be reviewed:</b>	<b>Annually</b>
<b>Date of next review:</b>	<b>November 2024</b>
<b>Responsible Officer:</b>	<b>M. Norman</b>

## **Introduction**

The purpose of The CAM Academy Trust investment policy is to set out the processes by which The CAM Academy Trust's Board of Trustees will meet their duties under the Academy's Articles of Association and the Academy Trust Handbook issued by the ESFA to invest monies surplus to operational requirements in furtherance of the Trust's charitable aims and to ensure that investment risk is properly and prudently managed.

The Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations. In addition, the Trust aims to invest surplus cash funds to optimise returns but ensuring the investment instruments are such that there is no risk of the loss of these cash funds.

## **Definitions of duties**

The CAM Academy Trust's Articles of Association give Trustees the power 'to expend the funds of the Trust in such a manner as they shall consider most beneficial for the achievement of the Objects and to invest in the name of the Trust such part of the funds as they may see fit and to direct the sale or transposition of any such investments and to expend the proceeds of any such sale in furtherance of the Objects.'

While the Board of Trustees has responsibility for the Trust's finances, the Scheme of Delegation delegates responsibility to the Finance and Resources Committee to approve the investment policy to manage, control and track financial exposure, and ensure value for money; to review the Trust's investments and investment policy on a regular basis.

The Finance and Operations Director is responsible for producing reliable cash flow forecasts as a basis for decision making, and is responsible for making investment decisions that comply with this policy. The Finance and Operations Director is responsible for providing sufficient management information to the Finance and Resources Committee so it can review and monitor investment performance.

## **Objectives**

The investment objectives are:

- To ensure adequate cash balances are maintained in the current account to cover day-to-day working capital requirements.
- Only invest funds surplus to operational need based on all financial commitments being met without the Trust's bank account becoming overdrawn.
- To ensure there is no risk of loss in the capital value of any cash funds invested.

- To protect the capital value of any invested funds against inflation to the extent where possible within the investment strategy below.
- To optimise returns on invested funds so far as is consistent with the investment strategy below.

By complying with this policy, all investment decisions should be exercised with care and skill and consequently be in the best interests of the Trust, commanding broad public support.

### **Investment strategy**

Investment risk will be managed through asset class selection and diversification with the aim of ensuring that security of deposits takes precedence over revenue maximisation. For selection, assets will only be considered with banking institutions which have credit ratings assessed by Fitch and/or Moody to show good credit quality.

The Trust is able to invest any excess funds (over and above the required day-to-day funds) in the following types of investment:

- Cash management accounts.
- Term deposit accounts or instant access deposit account.
- Accepted or endorsed bills of exchange.
- Negotiable, convertible or transferrable certificates of deposit.
- Money market funds.

The investment of academy funds in shares or other financial products is not allowed due to the higher volatility of and risk attached to these investments.

### **Implementation**

Funds can be invested as follows:

<b>Period of time funds held on deposit</b>	<b>Authorisation required</b>
Up to eight weeks	Finance and Operations Director
Over eight weeks and up to 12 months	Chief Executive Officer and Finance and Operations Director
Over 12 months	Chair of Board of Trustees, Chief Executive Officer and Finance and Operations Director