



# Investment of Funds

AUGUST 2019 REVIEW



When generous Aucklanders give back to their city and its communities, Auckland Foundation invests those funds to build a permanent legacy.

One of several benefits to the donors we partner with, is the strong investment governance and investment management the Auckland Foundation provides. This means donors do not have to concern themselves with the day to day investment decisions or market cycles and can partner with us pro-actively on the granting.

# Statement of Investment Policy and Objectives

To guide investment, Auckland Foundation has a Statement of Investment Policy and Objectives (SIPO) which is reviewed periodically, alongside the performance of our investment manager.

As a registered charity, Auckland Foundation does not seek to profit from donors giving but do need to cover the administrative costs of providing our services.

We have a long-term investment horizon consistent with endowment funds. Our funds are invested in a balanced portfolio so they achieve both a level of income generation to support long term grant making and provide the potential for capital growth to help mitigate the negative impact of inflation over time.

Auckland Foundation Trustees and its Investment Advisory Committee Members are committed to exercising prudent and appropriate care in relation to the investments of Auckland Foundation and agree that all actions taken should be in the interests of achieving Auckland Foundation's objectives and meeting our fiduciary obligations.

## Auckland Foundation's key long term Investment Principles;

- Protect and grow the real value of the funds under management in perpetuity.
- Encourage sustainable gifting programs that balance the needs of the endowment and the beneficiaries.
- Keep the spirit of the Auckland Foundation philanthropic purpose at the centre of decision making through clarity and transparency.

## Auckland Foundation maintains the following overarching objectives;

- Auckland Foundation aspires to best practice investment processes.
- Auckland Foundation recognises the need to engage professional investment managers to optimize the risk adjusted return of the funds. Our current investment managers are [Harbour Asset Management](#). Harbour offer the Auckland Foundation access to their wholesale funds which provide long term benefits through a lower cost structure.
- Donations are invested and monitored following a clear and transparent process which is overseen by management and reported to the Board.
- Auckland Foundation funds must be held securely with an independent and suitably qualified custodian.
- Liquidity and investment asset allocations must reflect the competing requirements of building a long term, intergenerational endowment/legacy while meeting the grant making goals of each fund.

The Auckland Foundation investments are actively managed, the Trustees' expectation is that the funds will outperform their benchmarks, net of fees, over a medium to long term timeframe (3 – 5 years).

The Trustees believe environmental, social and governance (ESG) factors can impact risk/return outcomes and will be considered in investment management decisions to the extent it is possible.