

THE SCHEDULE

Powers of Investment

1. *Investment*

- (a) *Free Fund and Restricted Fund* The Charity shall divide into two funds to be known respectively as the Free Fund and the Restricted Fund the property of the Charity (other than land) and any narrower-range investments belonging to the Charity at the date of this Scheme and cash being the proceeds of sale of narrower range investments shall be added to the Restricted Fund and the other investments and cash belonging to the Charity (other than land) shall be added to the Free Fund but notwithstanding the foregoing such division shall be carried out so as to ensure that the value of the property in the Free Fund is 85% of the value of the property available for division and the value of the Restricted Fund amounts to 15% of the property available for division; and when such division has been made:
- (i) property representing or constituting a capital accretion to the property included in one of those funds shall be included in that fund;
 - (ii) subject to clause 6 of this Scheme any property (other than land) belonging to the Charity which is not included in either fund and is to be invested shall be divided between and added to those funds so as to secure that the property added to the Free Fund represents 85% of the value of such property and the property added to the Restricted Fund is equal to 15% of the value of such property.
- (b) *Restricted Fund:* subject to sub-clauses (e), (f) and (g) of this paragraph the Trustee may invest the cash and other property of the Charity in any investment for the time being authorised by the Trustee Investments Act 1961 or any amendment thereof.
- (c) *Free Fund:* subject to sub-clauses (e), (f) and (g) of this clause the Trustee may invest the cash and other property of the Charity at their discretion in:
- (i) Any investments which are qualifying investments within the meaning of paragraphs 2 to 8 of Schedule 20 to the Income and Corporation Taxes Act 1988 but excluding units of a Unit Trust scheme which is not an authorised Unit Trust under the Financial Services Act 1986. Where any such investments are traded investments they must be such as are traded with proper authority on a recognised stock exchange within the meaning of section 841 of the Income and Corporation Taxes Act 1988;
 - (ii) In mortgages within the limits permitted by paragraph 13 Part II of Schedule I to the Trustee Investments Act 1961 or any amendment thereof.
- (d) Any land held as an investment which at the date of this Scheme belongs to the Charity may continue to be retained as an investment. Where such land is sold, subject to the taking and consideration of advice from a professional adviser who is qualified by his ability in and practical experience of land held as an investment the Trustee may apply the proceeds of sale in investing in other freehold or leasehold land in England or Wales.
- (e) The Trustee shall at all times keep the investments of the charity under review (including land held by it as an investment) and may at any time at its discretion realise exchange or otherwise dispose of any investment (including land held as an investment) or deposit or loan either to raise cash for the purposes of the Charity or for investment in accordance with the terms of this Scheme.
- (f) In performance of its functions under this clause the Trustee shall have regard to:
- (i) the need for diversification of investments (including land held as an investment) of the Charity in so far as it is appropriate to the circumstances of the charity; and

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(ii) in relation to any investment (including land) of the Charity or any proposed investment, to the suitability to the Charity of the investments of the description concerned and of the particular investment as an investment of that description.

(g) Unless authorised by an Order or Orders of the Commissioners the Trustee shall not invest by way of underwriting any new issue of shares stock or other securities. Provided that they may invest by way of underwriting an issue of stock eligible to be held by the Charity where the Trustee does so in order to secure an allocation of the new issue (and not for the sole or main purpose of obtaining commission) and is satisfied that the Charity has the resources to take up the allocation and that to do so would not be hazardous or speculative.

2. *Investment Expert* In this Schedule the expression “Investment Expert” means either a company or firm of repute in the field of investment which is an authorised person or an exempted person for the purposes of the Financial Services Act 1986 or an individual being an authorised person for the purposes of that Act who has not less than 15 years experience of investment and financial management.

3. *Investment advice*

(a) The Trustee shall arrange that the investments (including land held as an investment) are at all times kept under review by one or more investment experts and other professional advisers who shall be instructed and required to undertake to inform the Trustee promptly of any changes in investments which appear to them to be desirable except to the extent that the Trustee has exercised power of delegation conferred by clause 5 of this Schedule.

(b) No investment other than one which is for the time being a narrow range investment within the meaning of the Trustee Investments Act 1961 shall be made by the Trustee except on the advice of an Investment Expert.

4. *Investment Manager* The Trustee may appoint as the Investment Manager for the Charity a person whom it is satisfied after inquiry is a proper and competent person to act in that capacity and who is either:

(a) an individual of repute with at least 15 years experience of investment management who is an authorised person within the meaning of the Financial Services Act 1986; or

(b) a company or firm of repute which is an authorised or exempted person within the meaning of that Act otherwise than by virtue of section 45(1)(j) of that Act.

5. *Delegation* The Trustee may delegate to an Investment Manager so appointed power at his discretion to buy and sell investments for the Charity on behalf of the Trustee in accordance with the investment policy laid down by the Trustee. The Trustee may only do so on terms consistent with this Scheme.

6. Where the Trustee makes any delegation under this Scheme it shall:

(a) inform the Investment Manager in writing of the extent of the Charity’s investment powers;

(b) lay down a detailed investment policy for the Charity and immediately inform the Investment Manager in writing of it and of any changes to it;

(c) ensure that the terms of the delegated authority are clearly set out in writing and notified to the Investment Manager;

(d) ensure that it is kept informed and review on a regular basis the performance of their investment portfolio managed by the Investment Manager and on the exercise by him of his delegated authority;

(e) take all reasonable care to ensure that the Investment Manager complies with the terms of his delegated authority;

- (f) review the appointment of the Investment Manager at such intervals not exceeding 24 months as they think fit;
 - (g) pay such reasonable and proper remuneration to the Investment Manager and agree such proper terms as to notice and other matters as the Trustee shall decide and as are consistent with this Scheme provided that such remuneration may include commission fees and/or expenses earned by the Investment Manager if and only to the extent that such commission fees and/or expenses are disclosed to the Trustee.
7. Where the Trustee makes any delegation under this Scheme it shall do so on terms that:
- (a) the Investment Manager shall comply with the terms of his delegated authority;
 - (b) the Investment Manager shall not do anything which the Trustee does not have power to do;
 - (c) the Trustee may with reasonable notice revoke the delegation or vary any of its terms in a way which is consistent with the terms of this Scheme; and
 - (d) the Trustee shall give directions to the Investment Manager as to the manner in which he is to report to it all sales and purchases of investments made on its behalf.
8. *Holding of Investments* The Trustee may:
- (a) make such arrangements as it thinks fit for any investments of the Charity or income from those investments to be held by a corporate body as custodian trustee or as the Trustee's nominee; and
 - (b) pay reasonable and proper remuneration to any corporate body acting as custodian trustee or the Trustee's nominee in pursuance of this clause.