TE KUPENGA
CATHOLIC LEADERSHIP INSTITUTE

INVESTMENT POLICY

SCD policies also apply. Where there is a conflict between this policy and the SCD policies, the SCD policies should be followed.

PURPOSE

The purpose of this policy is to guide decisions on investing Te Kupenga funds that are not otherwise needed for day-to-day operations.

GENERAL PRINCIPLES

The Te Kupenga Governance Board (the Board) seeks a competitive investment return consistent with:

- Our Christian faith and the necessity to use ethical investments
- Market rates for comparable securities
- An agreed spread of investments and maturity dates that reflect funding needs based on that risk tolerance
- The Board's obligations to the Trustees and the funders

Ethical Investment
Te Kupenga will be selective to ensure to invest in securities that are consistent with Church values and to avoid those that are inconsistent with these values.

Risk tolerance
Te Kupenga has a low tolerance of investment risk. It wishes to preserve its capital and invest solely in well-rated financial institutions. Predictable returns, high liquidity and maturity dates that meet operating funding needs are also important.

External obligations
Central to Te Kupenga's investment strategy is the need to honour its obligations to the Trustees, as well as the Catholic primary and secondary schools, who provide a significant portion of Te Kupenga's annual funding. These obligations require Te Kupenga and its Board to preserve capital and be fully transparent and accountable in its stewardship of equity.

INVESTMENT STRATEGY

The Board will invest up to 90 percent of its available funds in interest bearing and, where possible, fully tradeable New Zealand market securities. Investments shall only be in those securities that provide such interest and there is no approval to invest in any other type of security (e.g. shares, derivatives, foreign securities or the like). Non-Church issuers must have a credit rating of at least AA-. Church issuers (typically diocesan development funds) must have proven liquidity and offer competitive interest rates. No more than a third of the funds invested should be with the same issuer. No more than a third of the funds should be invested in securities maturing beyond 12 months, with no investments maturing beyond 24 months. Interest earned will be used as revenue for Te Kupenga National Office.

Depicted visually, the strategy (with indicative amounts and terms) is:

Value	25%	20%	30%	20%
Term	Six months	Nine months	Twelve months	Eighteen months
Issuer	Bank A	CDF A	Corporate A	Local authority A

DECISION MAKING

The Board will oversee the application of the investment policy, based on reports from the Te Kupenga Chief Executive. As investments approach maturity, or market conditions change, the Chief Executive will liaise with the Board to determine the next investment decision. The Chief Executive will implement the decision, through the Te Kupenga accountant.

APPROVAL & REVIEW

The Te Kupenga Governance Board is responsible for approval and review of the Investment policy. The Board reviews its investment policy at three-year intervals, from the date of approval.

Approved: 30 October 2020
Next review: October 2023