Impact Investment Policy (approved 13/03/2025)

Aims and Objectives

"The Trust acts as an agent of social change to create change that ensures disabled people and people with mental health conditions are equal, empowered and their rights are upheld."

This allocation aims to be supportive of the trust's overall purpose, generating returns that are self-sustaining while having a measurable positive impact.

The geographic scope of our impact investments extends beyond Gloucestershire to across the UK. We will broadly not invest directly in Gloucestershire, as we have a separate pot of money that makes investments in county.

Impact goals

Our impact investments have a particular focus on the well-being of societies and individuals. We will also favour investments where we can draw links to the ways in which investments may either have positive influences on people in Gloucestershire or demonstrate a successful model that could be replicated in Gloucestershire.

We also will prioritise investments that have positive impacts on people with disabilities and those living with mental health conditions, or where we see positive opportunities to influence and advocate for the rights of those groups.

With that lens, our priority areas for investment are:

Ageing populations

e.g. care infrastructure

Community welfare

e.g. social housing, community energy

Disability and mental health infrastructure

e.g. accessible housing, mental health services and care

Financial Inclusion

e.g. Microfinance, CDFIs

Inclusion for minoritised groups and protected characteristics

e.g. investing in minoritised founders

Opportunity creation for disabled people and people with mental health conditions

e.g. engagement and advocacy

Social rights

e.g. disability rights, equal pay and living wage rights

Tech for Social Good

e.g. Ed Tech, Tech transparency, Digital health platforms

Youth empowerment

e.g. job creation, climate

We will endeavour to ensure that no more that 25% of the portfolio sits in any one priority area.

Time horizon and risk

The Trust recognises that its impact investments will be high risk and illiquid. When considering investments, the Trust will take in account the time horizon and exit strategy across each investment as it relates to the totality of the portfolio, allowing the Trust to have maximum impact across time.

The Trust has currently allocated £5 million for impact investments, these funds will be invested in the Trust's main endowment investment portfolio when not invested in individual impact investments (i.e. until we reach full deployment).

Financial goals

The Trust:

i. is willing to be flexible, noting that the capital might be at risk.
ii. aims to at least retain the real-world value of the portfolio.

Types of investments

The Trust will invest in the following:

- Charitable organisations
- Social enterprises
- Not-for-profit organisations
- Social impact funds

How much will the Trust invest?

The minimum investment is likely to £250,000 in any one investment. Whilst no maximum has been determined the Trust expects investments to be less than £1 million. In exceptional circumstances the Trust may consider a larger investment.

Management of the social investment portfolio

Impact investments will be identified and managed directly by the Trust by the Chief Operating Officer. From time to time the Trust may need to appoint or engage with professional impact investment advisors to support the due diligence and reporting requirements.

The Finance and Audit Committee will oversee the management of the impact investment portfolio, receiving portfolio level reporting at least quarterly and investment level reporting at least annually.

Governance

The Board of Trustees has overall responsibility for the investments and agrees the impact investment framework.

The Finance and Audit Committee has delegated authority to carry out a range of duties and responsibilities, including approving investments, as set out in the Matrix of Delegated Authority.

Review

This policy will be reviewed annually by the Finance and Audit Committee with any changes recommended to the Board of Trustee for approval.

Date Approved: 13/03/2025

Review date: Q1 2026