

CASE STUDY

Our charities health check in practice

We recently reviewed the investment arrangements of the charitable arm of an international financial company. As good custodians of the fund, the trustees were keen to 'kick the tyres' on their approach, but as busy people with full-time day jobs, they had limited time and budget available. They needed a review that was not only low cost, but also presented findings and recommended actions quickly and succinctly.

What did we do?

We agreed a cost up front, then reviewed the charity's arrangements against our 10 factors for resilience. We presented our findings in a clear report, with red, amber and green ratings for each factor. Where further action was required, we presented practical solutions and recommendations to the charity.

What did the trustees learn from the health check?

First, they learned that their spending was resilient. Moreover, their evolving needs since the 2008 financial crisis meant that, with some relatively minor changes to their funding and investment approach, they could support more people by the same resources.

The trustees saw this as the key positive result of the review. We articulated how effective diversification and a greater emphasis on income generation could support the resilience and spending of the charity. The trustees also learned that risks and opportunities relating to environmental, social and governance issues needed more attention.

A positive outcome

We're now using our portfolio construction and responsible investment expertise to help the trustees develop a more sustainable and resilient strategy. And by using a range of market comparators, we've ensured that the fees paid to managers and other service providers are fair and make full use of tax-efficient options available to charities.

Our Charities Health Check review was welcomed by the trustees, who had achieved their primary goals:

- to carry out an independent review to demonstrate the strong governance expected by their beneficiaries and sponsors
- to identify the change required to build a more resilient and sustainable future for their current and future beneficiaries.

If you have any questions, please [get in touch](#).