



## **INVESTMENT ADVISORY GROUP POLICY**

### **INTRODUCTION**

In 2002, delegates from the Croquet Victoria regions approved the sale of the then Croquet Victoria headquarters at 38 Warleigh Grove, North Brighton and the establishment of a new headquarters at the then Cairnlea Residential Estate, Furlong Road, Deer Park.

Funds from the sale were to be used to establish the new headquarters, with the residue to be invested to "... both protect the capital against long term inflation and produce an annual income for the future development of croquet in Victoria" and that "part of the income from the capital be used to employ a trained experienced Sports Administrator to assist State Council, the Committee of management and the sub-committees of Croquet Victoria to effectively administer and grow croquet in Victoria." Council also realised that it would have to move away from the then volunteer model of running the Victorian Croquet Centre and some of the income from the investments would be needed to pay for the professional supply of services.

The sale realised \$7.85 million and after construction of the new Victorian Croquet Centre at Cairnlea, the Council determined, in April 2005, that \$3 million be invested as had been resolved in 2002 and determined that Goldman Sachs JBWere to be the preferred managers of the invested funds. In June 2005, Council established the Investment Advisory Group as an advisory body, separate to Council and its other committees, to advise Council on the management of the investment. In establishing the IAG, Council accepted the Financed Committee recommendation that the anticipated return from the investment be 4% above inflation, including the management fees.

### **POLICY**

Croquet Victoria will appoint an Investment Advisory Group (IAG) consisting of three appointed members, not necessarily affiliated with Croquet Victoria but with extensive experience in investment matters, plus the Croquet Victoria Treasurer as a non-voting *ex-officio* member. Members of the Croquet Victoria Council and any Croquet Victoria Finance (or similar) Committee/s are ineligible for appointment to the IAG.

The provisions of the Croquet Victoria *Appointees, Sub-Committees and Working Groups Policy* as amended, apply to the IAG. Should there be less than the necessary number of members appointed to the IAG, the members so appointed may make recommendations to Croquet Victoria Council for other, suitably qualified, persons to be appointed to the IAG. The IAG will continue to act, notwithstanding any vacancy in the group.

The responsibilities of the IAG are to:

- recommend, for Croquet Victoria Council appointment, suitable companies or individuals to manage Croquet Victoria investments ("the Investment Manager").
- periodically review the Croquet Victoria investment fund management and performance and make recommendations for any change to Croquet Victoria Council.
- recommend, for Council approval, discretionary parameters for the Investment Manager to perform the day-to-day management of the investment funds and any changes to these parameters.
- oversee the Council-appointed Investment Manager's handling of the Croquet Victoria investment portfolio and recommend, to Croquet Victoria Council, any portfolio changes outside the discretionary parameters.

In order to discharge these responsibilities, the IAG will:

- maintain a close relationship with the Investment Manager and meet with them at least quarterly.
- meet whenever the members feel necessary and the calling of, and procedures at, such meetings will be in accordance with the Croquet Victoria Constitution.

The quorum for meetings of the IAG or for IAG participation in meetings with the investment fund management is a majority of the members.

The IAG will report to CoM and Council at least quarterly making any necessary recommendations concerning the structure of the investment funds portfolio as well as its performance.

The IAG will maintain minutes of its meetings, including of its meetings with the investment funds management, and provide a copy of such minutes and supporting papers to the Croquet Victoria Secretary, within seven days of each meeting, in accordance with the Croquet Victoria Constitution and the *Appointees, Sub-Committees and Working Groups Policy*.

## **PROCEDURES**

The anticipated return, over time, is to be 4% above inflation (inclusive of 0.75% Management Fee). Within this parameter, the IAG negotiates the balance of the initial portfolio with JB Were and subsequent changes according to the economic cycle.

Quarterly written reports and personal reviews with the IAG by JBWere are part of the management fee. If either party wishes for any reason to make contact outside this timeframe, then this is also agreed.

The IAG will provide VCA Directors with a summary as each quarterly report is finalized, with full copies held by the President, Secretary and Treasurer.

The actual performance of the investment portfolio after each twelve-month period will enable VCA to determine what resources are able to be accessed, ideally after preserving the ongoing value of the initial \$3 million investment, i.e. the first such decisions will be made after the June quarter in 2006. and to this end, the IAG will provide a report to the VCA Treasurer at the conclusion of the December quarter each year, to enable preparation of the budget for the forthcoming year, in accordance with the *Budgetary Timelines Policy*.

No funds are to be transferred to VCA Accounts until they are authorized by vote at a VCA Council meeting and in accord with priorities determined by VCA Council. Monies can only then be transferred from JB Were by request with two signatures from either VCA President, Secretary or Treasurer. JB Were will only transfer monies to a previously advised bank account, such advice requiring at least two signatures.

## **AUTHORISATION**



15 August 2016  
Victorian Croquet Association Inc