

HHS Investment Policy September 2025

Background

Until recently HHS had no need of an investment policy as it had few funds to invest. The Treasurer was able to manage available funds between a current account and a deposit account in order to generate some income while maintaining adequate liquidity to meet day to day expenditure needs. In the last financial year deposit interest of £351.00 was received.

The expected arrival of the Hidson legacy of over £500,000 requires the Society adopt a formal investment policy.

These funds have been confided to our care and for our charitable purposes by Mr Hidson without any restriction or indication from him as to his wishes for their use. They are not required to maintain current operations and must therefore be invested until decisions are made about the use to which they will be put.

Time Horizon

It is anticipated that no decisions will be made immediately about the long or medium term use to which the funds will be put. A note by the Chair, approved at the AGM in July 2025, stated: "We should take time before arriving at a decision as to what to do – at least 12 to 18 months. During this time we should place the funds in safe investments with a view to maintaining their value on a short term basis. The Trustees and the Committee will adopt an appropriate investment policy to reflect that."

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Attitude to risk

We will seek to maintain the value of the legacy funds for the limited time in which we will reach conclusions without taking any risk associated with attempts to increase their capital value. We will accept a minor degree of inflation risk (that the spending power of our money could be eroded) should inflation rise higher than the income that can be earned.

Proposal for placement of the Hidson legacy funds

At present we do not know the exact amount of the funds that will be received. Our proposal is to place the funds in the 12 month fixed rate saver account with the Charities Aid Foundation, currently paying 4.3%. The Charities Aid Foundation provides services for charities, including banking and investments and itself a charity. UK inflation is forecast to peak around 3.5-4.0% in late 2025 before easing towards the Bank of England's 2% target in 2026 and 2027.

Investment advice

If at the end of 12 months the Society decides to invest funds for a longer term, it will appoint an external investment adviser.

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