

INVESTMENT POLICY

Purpose This Policy defines the criteria under which CIGRE Australia funds are invested.

Background CIGRE Australia has money which it does not require to fund its day-to-day operations. The CIGRE Board seeks to ensure that these funds are invested to return the maximum sustainable yield to members, whilst protecting the capital of that investment.

This policy sets out the criteria under which these funds are invested on members' behalf.

Document History

Version	Date	Summary of Changes	Approved	Review Date
1.0	09 June 2016	Initial Policy	CIGRE Australia Board	June 2017 June 2020
2.0	26 April 2024	Inclusion of managed funds and changed responsibilities.	CIGRE Australia Board	
3.0	12 July 2024	Clarification of overall risk profile on investments	CIGRE Australia Board	June 2027

1. Applicability

This policy governs the criteria under which CIGRE Australia funds may be invested and the type of products that it may be invested in.

2. Underlying Investment Criteria

Being a not-for-profit member-funded association, careful consideration funds must be given to the security of capital invested. General criteria for our investments are:

- a) Capital security, including consideration of the credit worthiness of counterparties and diversification of investments;
- b) The term of the investment: investments must ensure adequate access to cash holdings to operate the day-to-day business of CIGRE Australia and the ability to wind up the organisation, if necessary;
- c) Maintaining a balanced portfolio of different types of investments (see section 3) with the overall portfolio being 'conservative' or 'balanced' in its risk and return profile;
- d) Accepting some volatility in the market value of those investments held for the longer term to achieve average returns over time in excess of inflation.

3. Approved Investments

The following investments are approved:

- a) Term deposits up to 12 months with investment grade banks or credit unions domiciled in Australia;
- b) Bond portfolios comprising investment grade counterparties; and
- c) Managed investment funds, which can have exposure to Australian and international equities and property trusts or securities.

Investments directly in equities, unrated or non-investment grade bonds, property, mortgage securities, crypto currencies, foreign currencies, financial derivatives, hedge funds or collectibles are not approved.

4. Investment approvals

The Finance, Risk and Audit Committee is responsible for the selection and oversight of the performance of bond portfolio and managed investment fund providers. This includes setting the expected investment duration, the investment mix and the expected risk and return parameters of the funds or providers.

The Treasurer and the Chief Executive Officer are jointly responsible for the placement of term deposits (selection of the bank, term and rate) and managing the bond portfolio and/or investment funds within any parameters set by the Finance, Risk and Audit Committee.

The Treasurer and Chief Executive Officer will report any new or rolled-over term deposits or decisions taken regarding the bond portfolio or managed investment funds to the next meeting of the Finance, Risk and Audit Committee.