

SHINE Investment Guidelines

1. Introduction

SHINE's financial resources comprise funds donated to the charity for expenditure on administrative and management costs, SHINE's current charitable objectives, future charitable objectives and income derived from those funds ('the Endowment').

However, certain donors may restrict the use of the gifted funds "Restricted Assets". Such Restricted Assets will be segregated and used as directed.

The purpose of the SHINE Endowment is to provide the charity with a source of funds to meet unexpected challenges or opportunities.

The Trustees believe management of the Endowment is an important responsibility. The Endowment is invested in accordance with SHINE's Articles of Association. It is anticipated the Endowment will invest in cash and equivalents, fixed interest, equities and alternative investment strategies including hedge funds, private equity and real estate.

2. Endowment Investment Goals and Objectives

The Trustees will use asset allocation and diversification to achieve a balance between capital preservation and capital appreciation. The objective for the portfolio, measured over rolling three-year periods, is to provide an annualized total return, net of fees, of **3 to 5** percent over the rate of inflation.

It is expected the Trustees will allocate 5% of the average of the prior three year-end total assets of the Endowment to current year administrative and management costs and charitable objectives.

On a rolling one year basis, it is the intention of the Trustees to hold all monies committed to projects, net of related co-funding commitments, for the subsequent 12 months in 'safe', liquid interest bearing bank deposits, short dated gilt-edged or corporate securities, or in funds who invest in such strategies, with a maturity profile reasonably matched to the disbursement schedule.

3. Target Asset Allocation

	Target %
Cash and Equivalents	5-15
Current Income / Hedge Funds	15-45
Equity	30-60
Private Equity / Real Estate	10-15

Manager concentration: No single Investment Manager will be responsible for more than 25% of the Endowment.

4. Investment Committee

Considering the Endowment's investment goals and objectives, it is the responsibility of the Investment Committee (the "IC") to consider risk and monitor asset allocation and investments as well as propose changes to the asset allocation and investment strategies. In addition, the IC shall review the Investment Policy (including the Endowment's investment goals and objectives) annually. The IC will meet at least 3 times per fiscal year. Meetings will be minuted and laid before the Trustees on a regular basis. Members of the Investment Committee are Henry Bedford, David Blood, Cameron Ogden and Richard Rothwell.