

Survey Report

HFMA Charitable Funds Special Interest Group

Investment Benchmarking Survey

November 2010

Chesterfield Royal Hospital in conjunction with HFMA has undertaken a benchmarking exercise to identify which investment advisors are being used, whether or not organisations had tendered in the last three years, the main objectives of NHS charities investment policies and the current holdings and performance of their investments. For comparison purposes, the data collected was at 30 September 2010. The full findings were as follows: -

1). Advisors

There was no predominant advisor. Three organisations use Brewin Dolphin, three organisations use CCLA, two organisations use UBS and one each for Schrodgers, Barclays Wealth and Rensburg Sheppards. Only one of the ten respondents had tendered for investment services in the last three years.

2). Objectives of the Investment Policy

Four of the ten respondents stated that the priority was to provide a regular income. Four had security as the most important objective. Two others favoured a balanced approach between Income and Capital Growth but one of these stated this was less important than minimising risk.

3). Current Portfolio Holdings

Of the ten organisations three were not holding any share-based investments and were instead holding either fixed interest, cash or bonds. Of the other seven organisations, the predominant holding was UK equities, with percentages ranging from 42% to 77% in UK equities.

4). Benchmarking of Performance

Three respondents benchmark against the FTSE indices with one other using the RPI (Retail Price Index). Other organisations either do not benchmark at all, or choose several indices. Performance against the benchmark(s) used varied from – 1.0% to + 4.8% in the year to 30 September 2010.

5). **Performance of Investments**

Respondents show performance in the last twelve months ranging from 0.55% to 7.48%. In respect of performance over the last three years, it appears that this question has been interpreted differently by all respondents giving a wide disparity of answers that do not allow for comparison.

6). **Annual Fees**

In respect of annual fees it appears Brewin Dolphin, UBS and Rensburg Sheppards all charge an upfront fee, which ranges from £1k to £18K, whereas CCLA, Barclays Wealth and Schroders fees are based on a percentage. CCLA's fee is the lowest at 0.45%. Barclay's charges range up to 1.6%.