



Blue Cross Investment Policy (Revised March 2019)

1. The investments of the Blue Cross are held to:
 - maintain safe levels of reserves,
 - support funding for major capital expenditure projects,
 - produce target annualised capital growth of CPI + 3% over a five year period, with a balanced level of income.
2. The investments are managed on a discretionary basis by professional Investment Managers who operate under their Terms of Business Agreement and in conjunction with the Blue Cross Investment Policy.
3. The activities of the Investment Managers and the investments made on the Charity's behalf are regularly and closely monitored by the Investment Sub-Committee of the Board which meets with the Investment Managers on a quarterly basis. In addition, the Investment Managers are required to report formally to the Board annually.
4. No single investment, direct or indirect, should represent more than 5% of the portfolio.
5. The Objects of the Blue Cross as defined in its Articles of Association are *"to encourage and promote kindness to and the protection of animals and to educate the public in responsible animal ownership"*. The Charity expects its investment managers to avoid direct investment in organisations whose activities are considered to be incompatible with these Objects or to conflict with the values of Blue Cross' stakeholders.

Specifically, Blue Cross wishes to avoid direct investment in organisations which:

- produce or sell products containing fur
- conduct animal testing for non-legally required purposes;
- are involved in intensive livestock farming or animal testing for legally required purposes, without evidence of appropriate animal welfare controls;
- manufacture or sell armaments, including weapons systems and combat platforms;
- produce pornography or tobacco products;
- are involved in the irresponsible marketing and promotion of alcohol, gambling or high-interest rate lending;
- seriously or repeatedly contravene international human rights standards;
- have convictions for serious or persistent pollution offences.

Blue Cross will consider positively investing in organisations aligned with its Objects and values. For example, organisations which:

- have comprehensive policies on human rights, anti-bribery/corruption, and ethical supply chains;
 - demonstrate 'best in class' environmental policies and practices within their industry;
 - produce environmentally beneficial goods and services.
6. Investment Funds that clearly contain excluded investments should be avoided.
 7. Investment Managers should be mindful of changes in public opinion and are expected to be responsive to investment that may bring the Charity into conflict with its stakeholders.
 8. The Investment Managers are fully aware of this position and are sensitive to the need to avoid such investments when managing our portfolio or purchasing new investments.