

Policy	INVESTMENT POLICY – DIOCESAN MANAGED INVESTMENTS		
Policy Number	550	Version	Original
Endorsement	Approved by BiC 21 April 2026	Implementation	1 May 2026
Review	Review initially after 6 months and then every 2 years		

PURPOSE

This Investment Policy directs the strategy for funds held in trust or otherwise managed by The Corporation of the Synod of the Diocese of Rockhampton known as the Combined Investment Fund (CIF). This Investment Policy is the primary document setting out the expectations, principles and goals the Bishop-in-Council has regarding the investment of the CIF assets and helps ensure effective communication between relevant stakeholders.

The CIF’s purpose is to support the not-for-profit charitable mission and ministry of the Anglican Church of Australia in the Diocese of Rockhampton especially the advancement of religion through responsible stewardship of the entrusted funds.

SCOPE

- 1) This procedure is applicable to funds held by the Diocese consisting of trust funds, the See Endowment, funds invested on behalf of parishes and diocesan agencies, funds reserved for special purposes and other diocesan funds.
- 2) Funds required for current operational requirements of the Diocese are excluded.
- 3) Funds held by parishes and diocesan agencies for operational requirements or invested by parishes in accordance with 551 Investment Policy – Parish Managed Investments are excluded.
- 4) Assets and real property for the conduct of ministry are excluded. Examples are church buildings and rectories.

DEFINITIONS

“ACNC Act”

Australian Charities and Not-for-profits Commission Act 2012 which established a regulatory system for charities and not-for-profit organisations operating in Australia.

“ADI”

An Authorised Deposit-taking Institution (ADI) is an organisation licenced by APRA under the Banking Act 1959 to carry on banking business, including accepting deposits from the public. This includes banks, building societies, credit unions and some religious development funds.

“APRA”

Australian Prudential Regulatory Authority is an independent statutory authority and Australia’s financial safety regulator.

“Combined Investment Fund”

The Combined Investment Fund (CIF) is a pooled investment fund for trust funds, special reserves, investment funds of parishes and agencies of the diocese. The CIF is not and does not operate in the form of an APRA regulated Authorised Deposit-taking Institution, meaning a body corporate authorised under section 9 of the Banking Act 1959, to carry on banking business in Australia (e.g. a bank, building society or credit union).

“Diocese”

The Anglican Diocese of Rockhampton known as the Anglican Church Central Queensland and incorporated as The Corporation of the Synod of the Diocese of Rockhampton.

“Dynamic Asset Allocation”

Dynamic asset allocation (DAA) is an active portfolio management strategy that shifts the mix of asset classes (equities, bonds, cash) in response to changing market conditions, trends, and economic indicators. It aims to maximise returns and mitigate risk by tilting portfolios toward high-performing assets.

“Illiquid Investments”

Where the asset or holding cannot be quickly converted into cash without a significant loss in value or a lengthy sales process. Common examples include real estate, private equity, art and collectibles. For this procedure, illiquid investments are those where funds from a sale are unlikely to be available within 31 days under normal market conditions except by sustaining a significant loss of capital.

“Investment Committee”

The body appointed by and with the delegation of Bishop-in-Council to govern the Combined Investment Fund (CIF) in accordance with this policy.

“Investment Manager”

A licensed third-party contractor with expertise in investment management to advise the Diocese and make transactions regarding the investments of the CIF in accordance with this policy. The incumbent Investment Manager is Brisbane Private Wealth.

“Ministry Investment”

An investment where the primary motivation is to achieve a ministry or mission outcome directly through the investment and financial return is a secondary consideration. Examples of Ministry Investments could include loans to parishes, the purchase of clergy housing, investment in affordable social housing or the investment in social bonds or sustainability bonds.

“Parish”

A Parish, Ministry District or Special Ministry of the Diocese as defined in Part II of the Parish Canon 2013.

“Principles of Responsible Investment (PRI)”

Signatories to the Principles for Responsible Investment (PRI) are investors and financial institutions committed to incorporating environmental, social, and governance (ESG) factors into investment decisions and ownership practices. Founded in 2006, the voluntary framework has over 4,000 signatories globally, including asset owners, investment managers, and service providers.

“Registrar”

The person holding the position of Registrar as defined in The Canon Interpretation Canon 1893-2010.

“Strategic Asset Allocation”

Strategic asset allocation (SAA) is a long-term investment strategy that defines a target mix of asset classes, such as equity, bonds, and cash, tailored to an investor's risk tolerance, financial goals, and time horizon. It acts as a long-term policy anchor, typically employing a buy-and-hold approach with periodic rebalancing and ignoring short-term market fluctuations to focus on long-term goals. SAA uses a target allocation percentage for different asset classes (e.g., 60% equity, 40% bonds and cash) to create a diversified portfolio to manage risk and maximise returns rather than chasing short-term market opportunities.

PRINCIPLES

- 1) The focus of the Investment Policy is to achieve a positive stable financial return on the CIF after accounting for inflation.
- 2) Investments shall be ethical by adopting the environmental, social and governance parameters stated in this policy.
- 3) Speculative or highly leveraged investments will be avoided.
- 4) The CIF supports the advancement of religion by making available financial resources for use in the ministry of parishes, diocesan agencies and centrally in the Diocese.
- 5) Direct investment with ministry, community service or social justice objectives is exceptional and shall not compromise the financial return of the CIF.
- 6) Bishop-in-Council has ultimate responsibility for the financial operations of the Diocese, however recognises that delegation of the governance of the CIF to an Investment Committee allows for improved oversight. The Investment Committee shall keep the Bishop-in-Council adequately informed and refer any potential policy changes to the Bishop-in-Council.
- 7) On the Implementation Date of this policy, the existing balances and investments of the existing CIF become the initial balances and investments of the CIF under this policy.

GOVERNANCE

INVESTMENT COMMITTEE

- 1) The Bishop-in-Council shall appoint an Investment Committee consisting of not less than 5 persons to govern the Combined Investment Fund (CIF).
- 2) Appointments to the Investment Committee shall be at the discretion of the Bishop-in-Council and is not restricted to members of the Diocese; but in considering a nomination of a person for appointment to the Investment Committee there is to be an assessment whether the person is a “fit and proper” person as defined by the APRA and only appointing persons who:
 - a) possess the competence, character, diligence, honesty, integrity and judgement to perform properly the duties of a member of the Investment Committee;
 - b) are not disqualified under the ACNC Act or any other law from serving on a governing body;
 - c) either:
 - i) have no conflict of interest in performing the duties of a member of the Investment Committee; or
 - ii) have a conflict of interest but Bishop-in-Council prudently concludes that the conflict does not create a material risk that the person will fail to properly perform their duties as a member.
- 3) The Treasurer of the Diocese is an ex-officio member of the Investment Committee.
- 4) Membership of the Investment Committee shall include at least one member of Bishop-in-Council other than the Treasurer of the Diocese.
- 5) Appointments to the Investment Committee are for 3 years or a lesser period as determined by Bishop-in-Council.
- 6) The Investment Committee shall elect one of its members to be its Chair.
- 7) The expectation is that the Investment Committee is to operate consensually however, if a vote is required, the Chair shall have a deliberative vote only and proposals where a vote is tied are to be considered lost.
- 8) The Investment Committee shall meet at least 4 times per year.
- 9) The quorum for any meeting shall be a majority of, but not less than, 4 members.
- 10) The Registrar, or the Registrar’s delegate, shall assist the Investment Committee with their governance and attend meetings as a non-member.
- 11) Those appointed as members of the Investment Committee shall remain as members until such time as the member:
 - a) completes their term;
 - b) resigns;
 - c) dies;
 - d) is declared by any competent court incapable of managing his or her affairs and remains so;
 - e) is an undischarged bankrupt;
 - f) is disqualified under the ACNC Act or by APRA from holding a governance position;

- g) fails to attend three successive meetings of the Committee without leave of the Committee; or
 - h) is removed or replaced by resolution of the Bishop-in-Council.
- 12) The Investment Committee is responsible for:
- a) ensuring appropriate governance and management of the CIF;
 - b) approving the investment strategy, investment pooling and strategic asset allocation;
 - c) approving allocation to investment funds;
 - d) approval of redemptions not conforming to the standard redemption timeframe;
 - e) appointing an Investment Manager to invest funds in accordance with this policy;
 - f) annual review of the performance of the Investment Manager;
 - g) providing a 6 monthly report on the CIF to the Bishop-in-Council;
 - h) approving the annual report to the Synod of the Diocese of Rockhampton;
 - i) periodic review of this Investment Policy and recommending policy changes to the Bishop-in-Council.

INVESTMENT MANAGER

- 13) The Investment Manager shall be responsible for:
- a) recommending a Strategic Asset Allocation consistent with the investment objectives and risk appetite outlined in this policy;
 - b) recommending investments consistent with the approved Strategic Asset Allocation and policy principles;
 - c) making investment transactions in accordance with Investment Committee decisions;
 - d) providing a risk evaluation of major investment decisions;
 - e) providing quarterly reports on the CIF outlining investment performance, material trends, costs of investment and trading, other agreed measures and relevant information in an agreed format;
 - f) providing annual reports on the compliance of the CIF with ethical principles;
 - g) undertaking such other actions, or providing advice, as may be agreed with the Investment Committee;
 - h) where CIF applications and redemptions exceed liquidity forecasts, provide a report on the costs involved.
- 14) The Investment Manager shall have at least provisional status as a signatory to the Principles of Responsible Investment.

INVESTMENT PRINCIPLES

- 15) General
- a) Appropriate investment governance is foundational for making effective investment decisions;
 - b) Funds are pooled to allow the construction of a diversified investment portfolio;
 - c) Investments are diversified to spread risk including any risk of permanent capital loss;
 - d) The strategic asset allocation is the main determinant of portfolio returns;
 - e) A judicious use of dynamic asset allocation can add value at the margin;

- f) Investment strategy needs to account for the liquidity requirements of the investment pool and beneficiaries;
- g) Historical returns on investment do not guarantee future returns;
- h) Market volatility is expected in the pursuit of long-term returns and short-term negative returns may occur;
- i) It is impractical to “time” markets;
- j) Investment strategy will favour investments that are not operationally intensive.

16) Target Return

- a) The target return of the CIF is CPI + 3% over a rolling 5-year timeframe after consideration of fees, franking credits and foreign taxes;
- b) The target return is to be achieved whilst taking on a prudent level of investment risk;
- c) The target return will be sought through investing in approved investments within the asset allocation parameters.

17) Time Horizon

- a) The time horizon of the investment strategy is in perpetuity.
- b) The investment performance of the CIF will be primarily assessed over a rolling 5-year timeframe.
- c) The investment performance of the CIF overall will be for the rolling time periods of 10 years, 5 years, calendar year to date and the last calendar quarter against the appropriate benchmark.

18) Risk

- a) Higher investment returns generally require accepting some risk as low risk investments are generally at a price that reflects their lower risk.
- b) Investment risks will be mitigated through:
 - i) Good governance in accordance with agreed policies and with the guidance of investment professionals;
 - ii) Diversification that avoids a high level of correlation of investment products;
 - iii) Avoiding speculative investments;
 - iv) Avoiding investment products that are unduly complex;
 - v) Avoiding illiquid investments;
 - vi) Excluding investments in fixed income instruments where the issuer rating is below investment grade (currently BBB).

19) Ethical

- a) Ethical investments consider environmental, social and governance (ESG) impacts.
- b) Ethical investments align with Diocesan mission.
- c) Investments that include exposure to any of the following, above 1% by revenue, will not be included in the investment portfolio:
 - i) Pornography;
 - ii) Armaments;
 - iii) Money Laundering;
 - iv) Companies involved in serious violations of exploitation of the disadvantaged (including the rights of indigenous peoples) or supporting repressive regimes or funding terrorism.

- d) Investments that include exposure to the following, above 15% by gross combined revenue, will not be included in the investment portfolio:
 - i) Fossil fuel mining, extracting, refining or retailing;
 - ii) Heavily polluting or environmentally degrading activities;
 - iii) Gambling and gambling venues;
 - iv) Tobacco, tobacco related products and vapes – manufacture, distribution or sale;
 - v) Alcoholic beverages – manufacture, distribution or sale;
 - vi) Military equipment (excluding armaments);
 - vii) Human Embryonic Cloning;
 - viii) Payday lending or other high interest lending to vulnerable clients.
- e) Where a material probability of a breach of the above ESG requirements becomes known, it will be investigated and a recommendation provided to the Investment Committee.
- f) It is recognised that ethical requirements can increase investment costs and reduce the range of available investments which in combination can reduce net returns.
- g) If a member of the Investment Committee, the Registrar, or any other person or organisation with an involvement in the consideration of an investment has a conflict of interest regarding that investment, the conflict of interest should be declared. The Investment Committee shall consider, in the absence of the conflicted party, how best to make and implement the investment decision whilst managing the conflict of interest.

20) Liquidity

- a) Appropriate levels of CIF liquidity are important to meet known or likely requests for distributions, capital calls and disinvestment. The CIF is to have a minority of assets with Low liquidity.
- b) Sufficient liquidity will be maintained by:
 - i) Having less than 15% of the value of the CIF in illiquid investments;
 - ii) Including sufficient cash investments as part of the CIF;
 - iii) Reviewing liquidity levels annually;
 - iv) The Investment Committee retaining the power to defer redemptions.
- c) The Registrar shall organise a regular calculation of the rolling 12-month cash needs relating to the CIF.

21) Taxation

- a) The Diocese's tax status is an important consideration in its investment strategy.
- b) The Diocese is in effect an Australian resident not for profit which does not pay income or capital gains tax on Australian investments but does receive franking credits.
- c) The Diocese pays tax on non-Australian investments, which in most jurisdictions means taxation on income, not capital gains. Given no Australian income tax is paid, the Diocese is unable to use foreign tax credits, and so these may be lost.
- d) The Diocese's Financial Year ends on 31 December.

INVESTMENT STRATEGY

- 22) The funds to be invested as the CIF shall be pooled to allow more efficient investment, reduce fees and better manage liquidity and cash. The Investment Committee may determine to structure investments in more than one pool in circumstances where the additional pool will provide a significant net long term advantage to the CIF.
- 23) The pooled assets of the CIF shall be invested in accordance with the following Strategic Asset Allocation:

Asset Class	Target	Range
Equities	60	55-70
Total Growth	60	55-70
Bonds and Fixed Interest – Listed & Private	30	10-40
Alternatives & Cash	10	2-30
Total Conservative	40	30-45

- 24) With respect to the above table:
- Some investments (e.g. alternatives) will be given a proxy allocation to asset classes due to not being purely a growth or a conservative investment.
 - Alternatives include all other non-bond income assets.
 - Gold through Exchange Traded Funds is included in Alternatives for diversification purposes.
 - Equities include investments in Real Estate Investment Trusts (REIT).
- 25) The SAA is to be biased toward domestic asset holdings in consideration of the Diocese's tax-exempt status for domestic investments. The domestic asset holdings in the SAA are to be in the range of 40% to 90% of investments by value.
- 26) The portfolio will be rebalanced at least annually and will consider allocations outside of the target range and investments contravening ethical considerations of this policy. The rebalancing decision shall consider transaction costs and market conditions with respect to timing.
- 27) To mitigate against concentration risk, the holding of any security shall not exceed 5% of the entire value of the CIF except for investments in products issued by the Australian Government or holdings as per 26 a).
- 28) The cash holdings of the CIF will consist of:
- An investment bank account with an Australian ADI to receive all distributions from CIF investments;
 - Cash exposures in approved investments.

MINISTRY INVESTMENTS

- 29) With the primary purpose of the CIF being to achieve a financial return, investing for specific ministry outcomes is discouraged because of the inevitable confusion and conflict between investment objectives and ministry objectives.

- 30) However, from time to time, ministry investments may be made but only where:
- a) The ministry expenditure is justified;
 - b) There is no reasonable alternative to making the expenditure except as part of the CIF;
 - c) Administration effort and costs are low;
 - d) Risks have been evaluated and found to be acceptable;
 - e) The beneficiaries of the CIF are not significantly disadvantaged by this action;
 - f) Any parish or ministry utilising the investment is charged at market rates;
 - g) Exposure to any single ministry investment is less than 5% of the CIF;
 - h) Total exposure of ministry investments is less than 15% of the CIF;
 - i) The Bishop-in-Council approves the proposed ministry activity; and
 - j) The Investment Committee confirms that the proposed investment conforms to the above criteria.

ADMINISTRATION

ALLOCATION OF INVESTMENT EARNINGS

- 1) Investment earnings will be calculated after each calendar quarter with revised balances available one calendar month after the last day of the quarter.
- 2) Except where otherwise agreed and approved with the beneficiary, investment earnings will be added to each investment balance.
- 3) Investment earnings for each investment balance will be a proportionate share of the change in value, both realised and unrealised, of the investment pool in which they are placed. This calculation will be based on the minimum balance for each calendar month.

ADDING TO INVESTMENTS

- 4) Parishes and diocesan agencies can establish or add to their investment balance in the CIF where the funds remitted are more than \$5,000 to be invested for at least 6 months.
- 5) The Registrar shall determine which Diocesan funds, including funds held in trust or for special purposes, are added to the CIF.
- 6) Any parish or diocesan agency desiring to establish a new investment or add to an investment in the CIF is to use Form 550A: Initiating or Adding to CIF Investments.
- 7) 10 Business Days should be allowed for transferring new funds to the investment pool.

INCOME STREAMS

- 8) Parishes and diocesan agencies wishing to receive a regular payment (income stream) from the earnings or capital of their investment shall make application using Form 550B: Application for Income Stream from CIF Investments.
- 9) Regular payments may be monthly, quarterly or annually at the choice of the relevant parish or agency.
- 10) Applications for an income stream will be reviewed by the Investment Committee to ensure that the requested action is practical and that investments, liquidity and cashflow settings appropriately adjusted. Applications will be successful except where they are found to be detrimental to the overall operation of the CIF.

- 11) Income stream payments shall continue in the approved pattern until such time as the Parish or agency in receipt of the payment applies for a variation to the income stream or the Investment Committee identifies that there are no longer sufficient funds to support these payments.

REDEMPTIONS

- 12) Parishes and diocesan agencies may apply to redeem some or all their investment balance from the CIF.
- 13) Redemption of trust funds must be in accordance with the provision of the trust.
- 14) Applications for redemptions shall be made using Form 500C: Redeeming CIF Investments.
- 15) Applications for redemption need to account for the necessary time for proper governance and administration as per the following table:

Redemption Amount	Authoriser	Time from receipt of application
Up to \$5,000	Diocesan staff	2 weeks
\$5,000 to \$20,000	Registrar	2 weeks
\$20,000 to \$100,000	Diocesan Treasurer	4 to 6 weeks
Above \$100,000	Investment Committee	6 to 13 weeks

SEAL

- 16) Any transaction or undertaking requiring the Corporate Seal shall be enacted in accordance with section 4 of The Corporation Canon.

FORMS

Form 550A: Initiating or Adding to CIF Investments

Form 550B: Application for Income Stream from CIF Investments

Form 500C: Redeeming CIF Investments

Applicants are to use the version available for download on the Diocesan website.