

INVESTMENT POLICY STATEMENT

March 2021



Investment Policy Statement

I. Scope and Purpose

1. The Dyslexia Association of Singapore (“DAS”) is a registered charity incorporated Singapore.
2. The DAS’s Investment Policy Statement (“IPS”) sets out the investment objectives, risk tolerance, roles & responsibilities, investment strategy & parameters, and the reporting & monitoring process for the investment of DAS’s financial reserves. The IPS provides the framework within which the DAS Executive Committee (“Exco”) and the Finance & Investment Committee (“FIC”) shall oversee the management of DAS’s investment portfolio.
3. The investment portfolio forms part of the financial reserves of DAS. As the financial reserves serve to safeguard the long-term sustainability and resilience of DAS, the investment portfolio shall be prudently managed.

II. Investment Objectives, Risk Tolerance & Time Horizon

4. DAS’s key investment objective is the preservation of capital and to obtain a reasonable return over a period of 5 years including dividend/interest and capital appreciation rather than maximization or high returns. The investments shall be managed with a view to preserve the value of the investable assets and to provide an additional source of income to support DAS’s mission.
5. In line with the investment objective, there is limited tolerance for downside risks and volatility to the value of the investment portfolio. The portfolio shall not experience significant loss from year to year.
6. Under normal circumstances, the assets held in the investment portfolio are not likely to be liquidated in the short term for funding operating activities. As such, DAS can adopt a longer-term investment horizon of at least 3 years.
7. DAS seeks to earn a modest investment return of 3% per annum, at a minimal level of risk that is commensurate with the expected return, over the expected investment horizon of 3 years.

III. Roles & Responsibilities

8. The Exco is responsible for overseeing the management of the investment portfolio. The Exco delegates this responsibility to the FIC, wherein the FIC shall perform the following:
 - regularly review and update the IPS for the Exco’s approval;
 - recommend the investment strategy and parameters for Exco’s approval;
 - establish the due diligence process for selection of fund managers;
 - evaluate and recommend selected fund managers and funds to Exco for approval;
 - regularly review the exposure, performance, and risks of the investment portfolio and report to the Council.
9. The FIC delegates to DAS management the following activities concerning the management of the investment portfolio:
 - perform regular review and update of the IPS, to be submitted for FIC’s endorsement and Council’s approval;
 - conduct the request for proposals, due diligence, and evaluation of fund managers and funds in consideration;
 - perform regular monitoring & reporting of the investment exposure, performance, and risks to FIC and Council;
 - monitors and advise FIC when there are available investible funds ie funds in excess of working capital requirements of DAS;

Investment Policy Statement

- administration and coordination of matters relating to investments.

IV. Investment Strategy and Parameters

10. Given the limited tolerance for downside risk and volatility of the investment valuation, an asset allocation strategy with appropriate diversification across asset classes, sectors, and geographies of exposure shall be adopted.
11. Asset classes that are permitted for investments are:
 - Cash and fixed deposits;
 - Money Market Instruments;
 - Publicly listed Fixed Income Securities (bonds);
 - Publicly traded Equities.
12. To reduce concentration risk, bond and equity funds are preferred to individual bonds and equities. Also, even for bond funds, there is a wide range of risk. To minimize risk at this time, we should look for the following in our bond funds: managers with proven records and good standing, high liquidity - preferably daily liquidity, short average duration of bonds, high credit quality, minimal drawdown historically and quick recovery such as after March 2020, minimal foreign exchange risk, and low management and other fees. These should be evident from the bond fund's fact sheet.
13. The limits set for the investments is up to 100% for bonds and 20% for equities.

V. Monitoring and Reporting

14. Management shall provide regular updates to the FIC during the FIC meetings. The FIC shall review the updates/reports and report to the Exco.
15. As part of the risk monitoring process, DAS management should alert FIC should the value of its investments suffer a 10% fall in value at any point in time when compared to cost of purchase. DAS management should contact the fund manager for an explanation for the price action and its action plan. DAS management should notify FIC and submit its investigation to FIC without delay. Any decision derived should be submitted to the Exco for immediate action.

VI. Policy Review

16. The IPS shall be reviewed on an annual basis to ensure that it remains appropriate and relevant for DAS's purpose.

Initiated/Revised	Date	Approval date
Initiated	2 April 2021	3 June 2021