

SURVEY RESULTS:

NON PROFIT ORGANISATIONS' INVESTMENT COMMITTEE NEEDS

Survey Description

The survey was sent out to non-profit organisations (“NPOs”), with 30 responses collected over the period March-April 2014.

The survey questions are attached as Appendix 1.

Survey Results

The accompanying charts are attached as Appendix 2.

Reserves Management:

- Slightly more than half of the respondents have their reserves managed by an investment committee, board of trustees or finance staff. The rest either do not invest as their reserves are not significant (33%) or due to concerns over the various risks (13%).

Financial Projections:

- Almost all (97%) of the organisations that responded have at least moderate confidence in their estimates of annual revenue/funding against expenditure.

Size of Annual Receipts and Reserves:

- About 60% of the respondents to the survey have annual receipts of < SGD 3 million, and reserves of < 3 years' worth of expenditure.

Investment Policy Statement:

- Half of the survey respondents have an investment policy statement (“IPS”) in place, while 27% are still at various stages of discussions.
- 60% of the respondents have indicated a good or moderate level of confidence in their investment framework and the demarcation of roles, and typically have least some details of the IPS that are agreed upon. 20% of the respondents do not currently have a clear investment framework and structure, and indicated that it is an area where further work is needed.

Investment Expertise:

- 50% of the respondents already do work with professional investment managers either as members of investment committee, board of governors/trustees, internal staff or through a professional relationship; the remaining 50% do not have interactions with investment professionals.
- 27% of the respondents have access to investment professionals and are already working with them, while 33% of the respondents do not currently have access to

investment professionals and would like to find out more about available help; the rest do not require help from investment professionals.

Available Guidelines:

- 27% of respondents are aware of available guidelines and are already using them, while 30% of respondents are not aware of available guidelines and would like to find out more; the rest do not feel they have need of such guidelines.

Conclusion

Based on the responses in the survey, the main areas of interest from NPOs are:

- Working through their Investment Policy Statements (“IPS”).
- Finding out about access to investment professionals.
- Finding out about available guidelines.

There are some resources already available.

- CFA Singapore’s Investment Committee Volunteer Register (“IC Volunteer Register”) consists of experienced investment management professionals who are willing to help NPOs on a volunteer basis.
- In addition, CFA Singapore’s Asset Management Committee (“CFAS AMC”) published the Code of Conduct for Investment Committees (“IC Code”), which includes recommended guidelines.
- For information on either the IC Volunteer Register or the IC Code, please visit <http://www.cfasingapore.org/singapore/Pages/AssetManagementCommittee.aspx> or email info@cfasingapore.org

Asset Management Committee, CFA Singapore

May 2014

Survey on Non-Profit Organizations' Investment Committee Needs

The aim of this survey is to find out what, if any, help NPOs would like or need regarding their investment committees. Your participation is much appreciated.

*Required

1) My organization's reserves are currently managed by:*

- a) A duly appointed investment committee
- b) The board of governors/trustees
- c) The finance staff/department
- d) None – we have chosen not to invest our reserves due to concerns over market risk and reputational risk
- e) None – we have no significant reserves.

2) My organization has a good estimation of annual revenue/funding vs. expenditure: *

- a) Yes, with a good level of confidence
- b) Yes, with moderate confidence
- c) Estimates have not yet been worked out

3) My organization currently has annual receipts of: *

- a) Up to SGD 1 million
- b) Between SGD 1-3 million
- c) More than SGD 3 million

4) My organization currently has reserves of:*

- a) Less than 1 year's worth of expenditure
- b) Between 1-3 years' worth of expenditure
- c) More than 3 years' worth of expenditure
- d) I am unable to ascertain this as there is lack of clarity regarding the amount of reserves and/or annual expenditure.

5) My organization works with professional investment managers:*

- a) As internal members of our staff
- b) Through a professional relationship – e.g., as investment consultants, advisers and/or managers
- c) As members of our investment committee or board of governors/trustees
- d) At least 2 of the above options (a, b, c) apply
- e) None of the above options applies

6) My organization has approved a clear set of investment requirements and restrictions – the document is typically called the Investment Policy Statement: *

- a) Yes – all details have been discussed, approved and implemented
- b) Some details have been agreed, others are still being discussed
- c) The issue is still under general discussion
- d) None of the above options

7) I am confident of my organization's investment framework and structure, regarding how investments/reserves are invested and managed on an on-going basis, as well as having the right people clearly appointed to carry out this responsibility: *

- a) Yes, with a good level of confidence
- b) Yes, with moderate confidence
- c) We do not currently have a clear investment framework and structure, and it is an issue which we need to work on further
- d) We do not currently have a clear investment framework and structure, and it is not an issue which we are concerned about

8) My organization has access to a pool of professionals knowledgeable in the management of investments and reserves:*

- a) Yes, and we are currently working with them
- b) Yes, but we do not require such services at this point in time
- c) No, and we would be interested in finding more about getting access to such professionals
- d) No, and we do not require such services at this point in time

9) I am aware of available guidelines for investment committees, as well as the availability of volunteers: *

- a) Yes – I am aware of available resources and have used or intend to use them.
- b) Yes – I am aware of available resources, but have no need to use them.
- c) No – I am not aware of available resources, and would like to know more.
- d) No – I am not aware of available resources, and have no need to use them.

10) I have some other comments and/or requests regarding reserves management or investment committees:

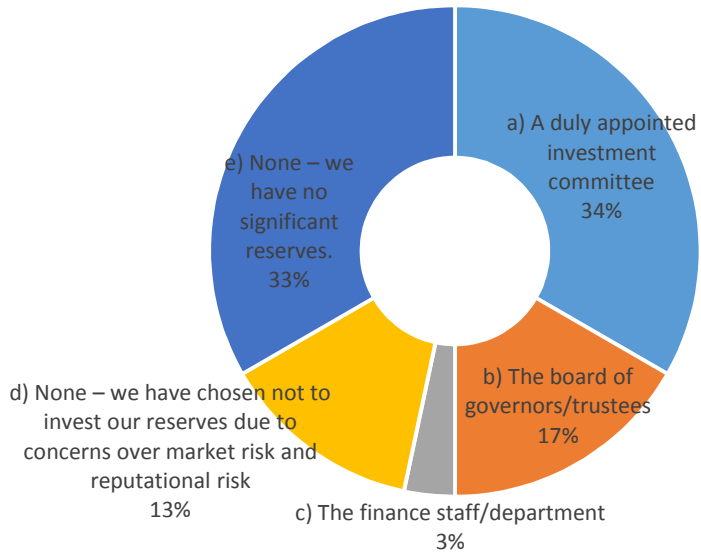
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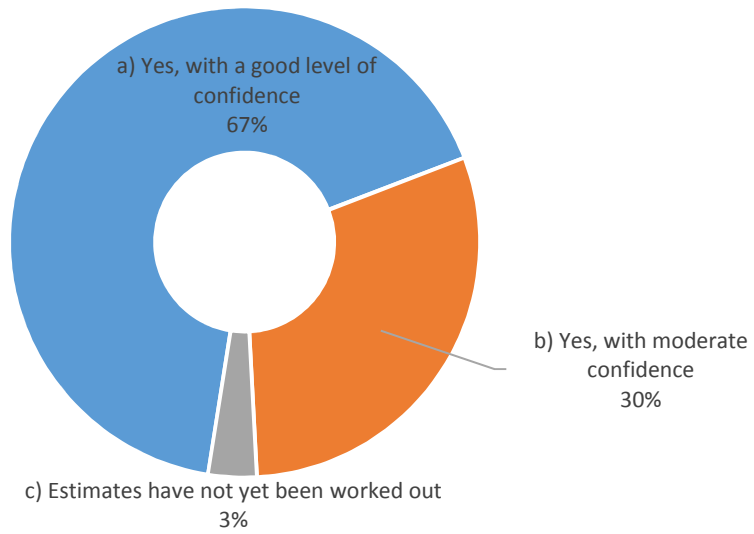

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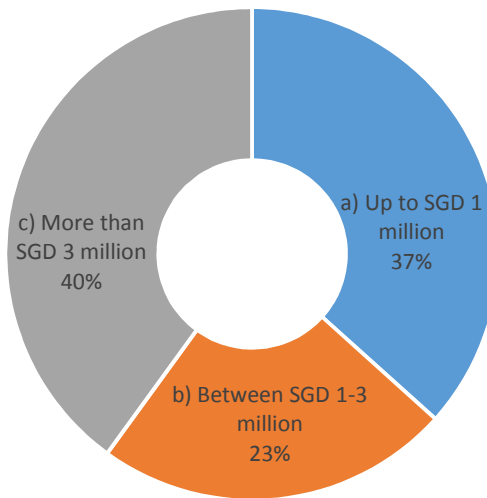
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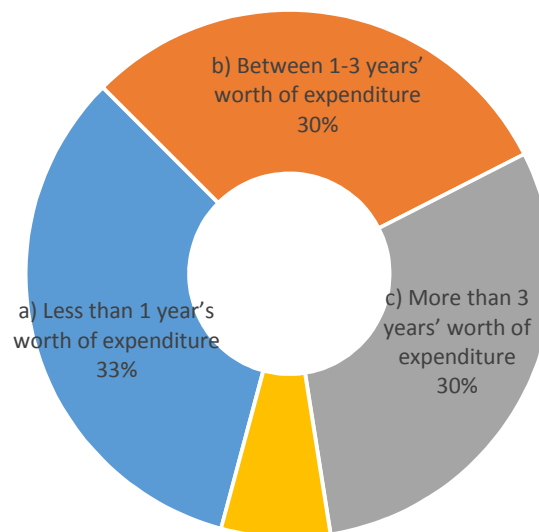
2) My organization has a good estimation of annual revenue/funding vs. expenditure:



3) My organization currently has annual receipts of:

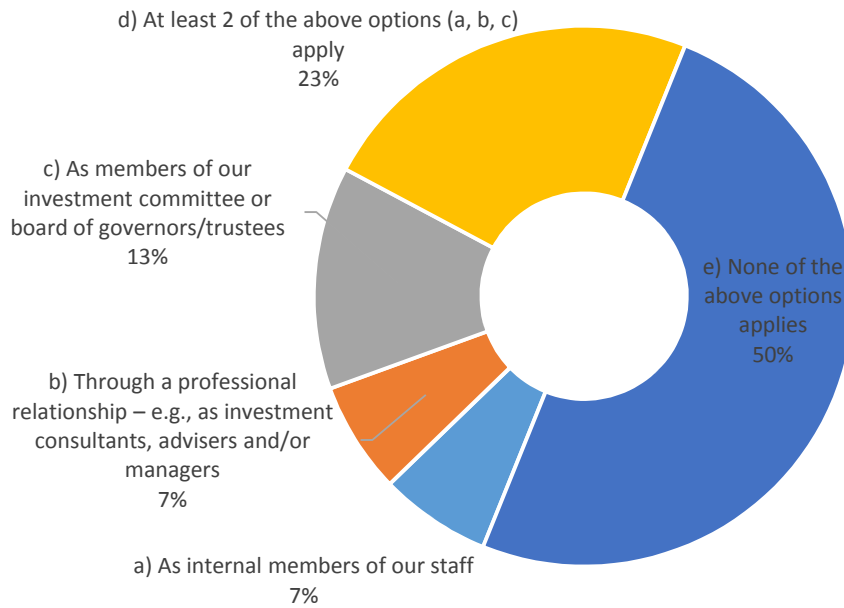


4) My organization currently has reserves of:

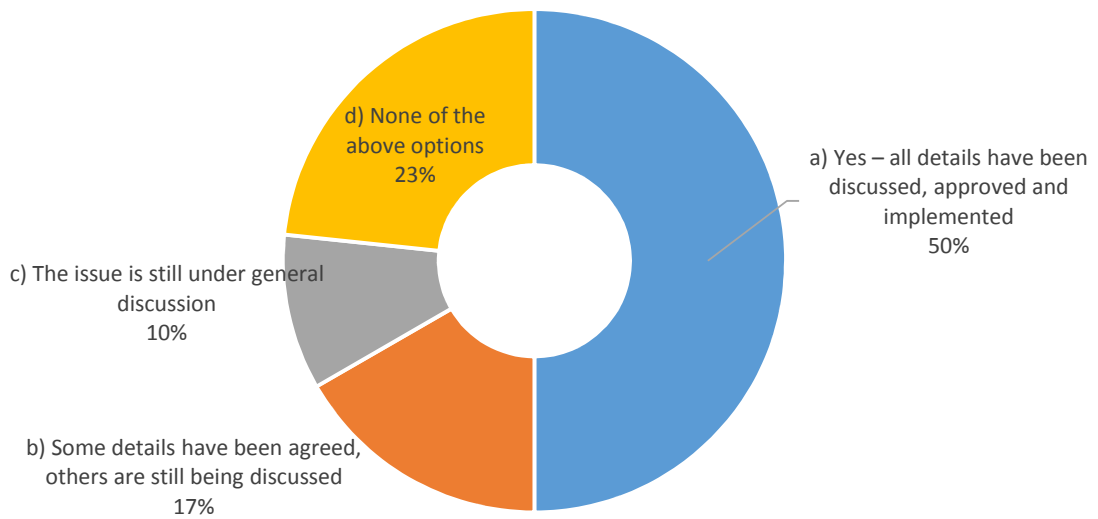


d) I am unable to ascertain this as there is lack of clarity regarding the amount of reserves and/or annual expenditure.
7%

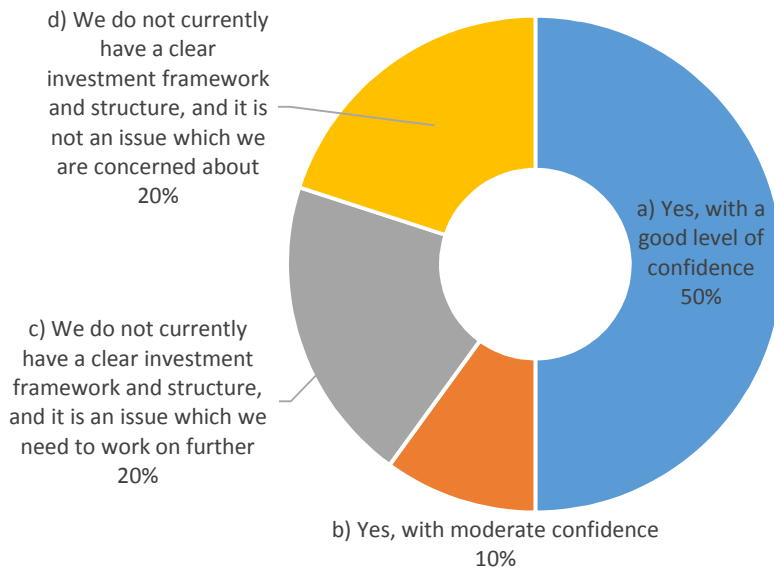
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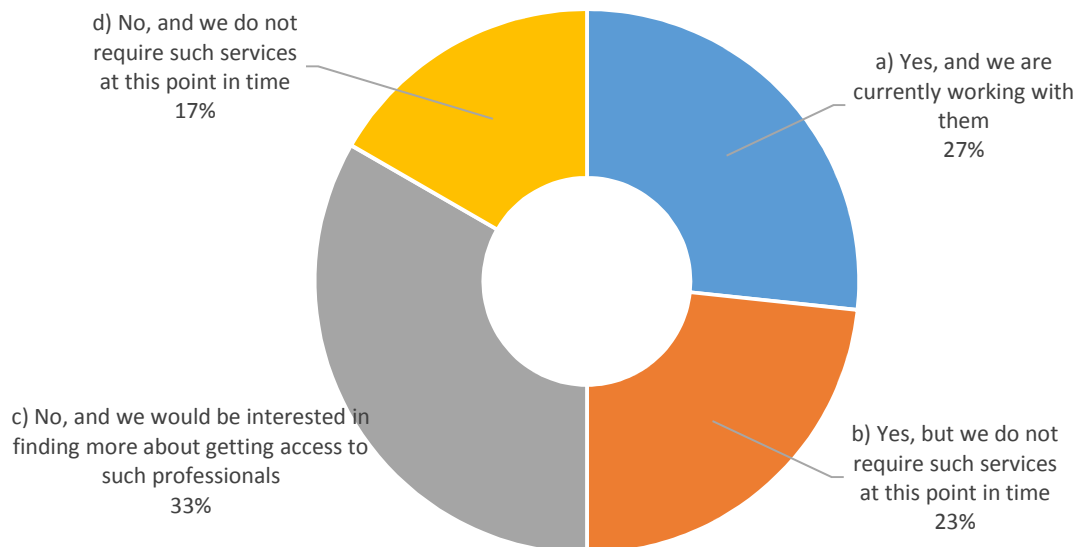
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8) My organization has access to a pool of professionals knowledgeable in the management of investments and reserves:



9) I am aware of available guidelines for investment committees, as well as the availability of volunteers:

