



Access – The Foundation for Social Investment “Access”

Investment Policy Statement

By the Board of Trustees (“Board”) of Access (“the Charity”)

November 2025

I. Introduction

This Investment Policy Statement (“IPS”) governs the management of Access’s treasury. The IPS will remain effective until modified by the Board (on advice from the Endowment Investment Committee (“EIC”)) and should be reviewed on an annual basis.

II. Investment Objectives & Constraints

The objective of Access’s treasury management approach is to manage funds using a “total impact” approach, achieving both financial and social impact.

Access’s direct impact goals are to increase access to capital for UK charities and social enterprises to enable them to be more financially resilient, self-reliant and ultimately achieve greater social impact. Access has therefore determined that the social impact of its treasury function is as important as the financial return.

a) Financial Objectives

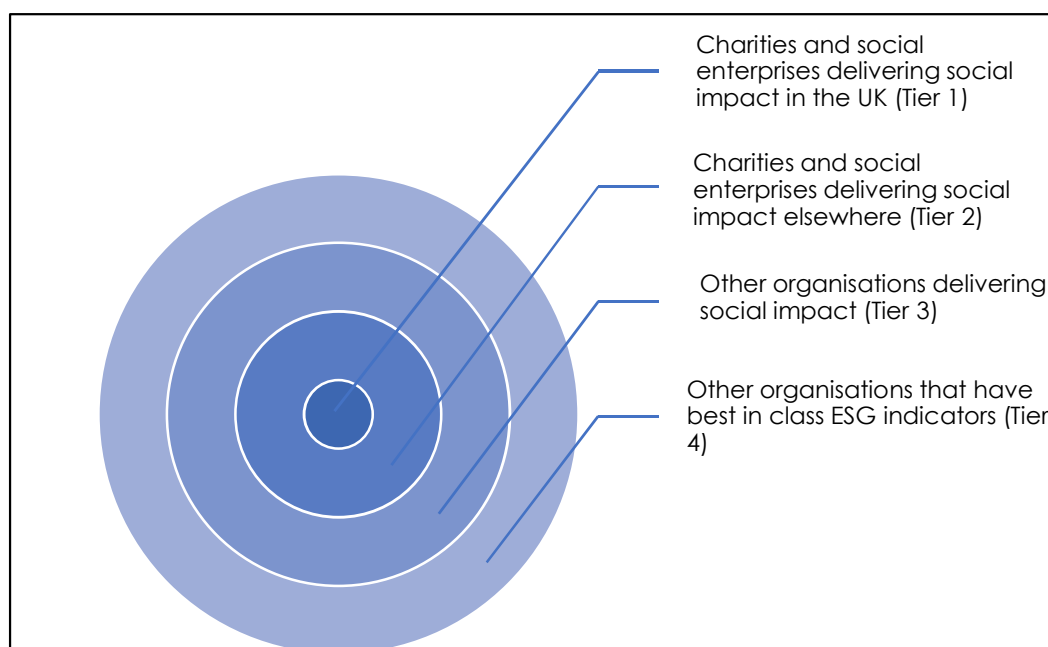
- Ensure the availability of liquid funds to meet operational and programme needs as they arise.
- Preserve capital.
- Minimise exposure to counterparty risk.
- For cash deposits, the goal is to maintain the real value of holdings by targeting a return above inflation where feasible.
- For other asset classes, expected return should correlate to appropriate benchmarks.

b) Social Impact Objectives

- Align the allocation of funds to provide the best fit with the “Bull’s Eye” approach, with the highest possible proportions towards the centre of the bull’s eye (Tier 1 investments, below).
- Tier 1 holdings are those which flow directly charities and social enterprises delivering social impact in the UK. Tier 2 holdings are those which support in charities and social enterprises delivering social impact outside of the UK. Tier 3 holdings flow to other organisations that aim to deliver social impact. Tier 4 investments are in other organisations/ companies which are deemed to have best in class ESG (Environmental, Social and Governance) qualities.

- Access's funds should be managed to maximise exposure to Tier 1 investments subject to considerations of availability, risk (diversification, reputation, liquidity etc.) and return.

Diagram: "Bull's Eye" Investment approach



c) Constraints

- No investments will be made without consideration of the attendant risk and return, particularly within the context of the total portfolio.
- Investments must be appropriate given the time horizon and cash flow requirements.
- Investments must have a demonstrable social impact, as defined by the Bull's Eye model.

III. **Spending & Liquidity Requirements**

Access was originally funded by a £60m endowment from the Cabinet Office in 2015. Since 2016, it has managed this endowment using a Bull's Eye model, aiming to maximise deployment to socially and environmentally focused organisations while generating the returns and liquidity required to fund its grant making.

In 2025, its final year of endowment spend, Access is transitioning to being funded primarily through the Dormant Assets Scheme. As a result, Access's treasury now comprises both the Charity's unrestricted funds and the Dormant Assets (DA) Scheme funds it receives and distributes.

The Charity's unrestricted funds total approximately £10m as of November 2025. Approximately half of this is expected to be spent during 2026-28, leaving an estimated balance of £5m.

Access has been allocated £87.5m of Dormant Asset funding to distribute over the next four years. These funds are drawn down from the National Lottery Community Fund shortly before they are needed, typically every 12 – 18 months. In practice, the balance of DA funds held at any time ranges from roughly £5m to £30m.

IV. Investment Objectives

Time horizon	Purpose of the funds	Liquidity requirement	Permitted Investments	Financial Benchmarks
Short-Term 0 – 18 months	The purpose of short-term funds is to ensure that Access can reliably meet all immediate operational, grant, and programme commitments without interruption.	A minimum buffer will be held in highly liquid, low-risk accounts to meet near-term operational and grant commitments without disruption. Funds required within 12–18 months (e.g., committed grants, operating costs, planned programme spend) will be held in accessible, capital-preserving products such as social bank deposits or ethical money market accounts.	Suitable banks, defined as “a bank with strong credit worthiness which lends predominantly to charities and social enterprises”. This is subject to availability and will be assessed on an ongoing basis, and can include ethical savings accounts, social bank deposits, notice accounts and money market funds (subject to due diligence on social impact alignment).	Performance will be assessed primarily in terms of capital preservation, with a secondary objective of achieving a return in line with or exceeding inflation, net of fees. Performance will also be compared to relevant benchmarks such as: <ul style="list-style-type: none"> • Average deposit rates across UK ethical/social banks • SONIA (Sterling Overnight Index Average), as a proxy for cash-equivalent returns
Medim-Term 1 – 3 years	The purpose of medium-term funds is to support planned programme delivery over the coming years by investing surplus reserves in Bull's Eye aligned products that can be accessed with reasonable notice.	Surplus reserves may be invested in medium-term Bull's Eye aligned products, provided there is a clear liquidity plan for drawdown when needed. Investments should offer reasonable liquidity (e.g., quarterly or annual redemption cycles).	Social investment funds, community development finance institutions (CDFIs), Bull's Eye aligned fixed-income instruments, and pooled impact investment vehicles.	Returns will be benchmarked against: <ul style="list-style-type: none"> • A target return of CPI +1% to +2% per annum, depending on risk profile. • Relevant indices or peer groups, where available, for social or impact-focused funds
Long-Term 3+ years	The purpose of long-term funds is to preserve financial flexibility for future strategic needs while maintaining alignment with the Charity's mission and regulatory requirements.	Long-term funds may be held in assets with limited liquidity, provided they can be realised within multi-year strategic planning cycles without jeopardising the Charity's financial resilience.	Permitted long-term investments include Bull's Eye aligned, higher-impact assets with longer lock-up periods, such as social impact funds or longer-duration fixed-income products, where risk and return are appropriate to the Charity's time horizon.	Long-term funds should aim to achieve returns that at least match long-run inflation and preserve real value while balancing mission alignment with prudent risk management.

- **Cash Flow Forecasting:** The Executive will maintain rolling cash flow forecasts to inform liquidity management, ensuring timely alignment between programme delivery timelines and investment decisions.
- **Access to Capital:** Capital may be reallocated between short and medium-term holdings as needed to respond to changing strategic or financial circumstances, subject to prudent oversight and delegated limits. All banks must be authorised by the Prudential Regulation Authority and covered by the FSCS (or equivalent protection).
- **Impact Benchmarks:** In line with the charity's mission and the Bull's Eye framework, investments will also be assessed on their contribution to social impact, especially those in Tier 1 and Tier 2. Impact performance will be reviewed based on:
 - Allocation by Tier (1 to 4), with the goal of maximising Tier 1 exposure.
 - Qualitative and quantitative impact reporting provided by investment managers or platforms, aligned to Access's Bull's Eye and Impact Management Project (IMP) standards and with the UN Sustainable Development Goals (SDGs) where possible and applicable.

V. Responsible Investment (ESG and EDI)

Managers must demonstrate ESG and EDI practices aligned with Access's commitments. ESG analysis should be integrated into investment selection and stewardship and shared with the EIC, for review quarterly by the EIC and annually by the Board.

As part of the ESG approach, a Manager will consider EDI aspects in light of Access's commitment to EDI and our published approach which can be found on our website: <https://access-socialinvestment.org.uk/who-we-are/equity-diversity-and-inclusion>

Any reputational risk issues should be flagged immediately by the Manager to the EIC and Management.

VI. Roles and Responsibilities

- Board of Trustees ("Board")

The Board is responsible for the governance, strategy and oversight of Access's treasury. The Board authorises the investment strategy, as defined in this IPS. The Board has responsibility for reviewing the IPS on strategy, basis. Changes to the IPS will be recommended by the EIC and authorised by the Board. The Board devolves quarterly oversight to the EIC. The EIC will report fully to the Board on an annual basis.

- Endowment Investment Committee ("EIC")

The EIC is a sub-committee of the Board and is governed by its terms of reference. The terms of reference are included as Addendum 1 to the IPS. The EIC oversees the execution of the agreed investment strategy as defined in the IPS, together with Access Management. It has the authority to recommend periodic revisions to the IPS to the Board.

- Access Management ("Management")

Management oversees the implementation of the investment strategy by any Manager. Management is the primary point of contact for the Manager and is responsible for the day-to-day operational

aspects of monitoring the treasury. Management is also the primary point of contact with the banks and is responsible for the management and monitoring of the Funds.

- Appointed Manager (“Manager”)

Where relevant the Board has delegated to a Manager full authority to manage funds in accordance with the IPS. This includes full decision-making powers relating to the sale and purchase of investments, (including full due diligence on risk/return and impact), comprehensive impact/ESG reporting, and full reporting on risk and return (including benchmarking). Any Manager is contracted by Access and receives a management fee for its services.

VII. Risk Management

- Diversification

The portfolio should be diversified by issuer, maturity, credit quality, sector and geography as far as the opportunity set of assets allows.

- Currency Hedging Policy

The base currency of the Endowment is in GBP. Investments should be predominantly denominated in GBP. Foreign exposure avoided unless explicitly approved.

- Liquidity

A Manager monitors and manages the investment to ensure that Access’ cash flow requirements can be met (asset/liability matching). The Manager will monitor liquidity on an ongoing basis and provide an updated liquidity schedule on a quarterly basis.

- Rebalancing

The manager will evaluate exposures on an ongoing basis and rebalance as required to maintain the appropriate level of risk/return and liquidity.

- Risk Monitoring

The Manager should report on risk (at the individual security level and on an aggregated basis) to the EIC on a quarterly basis. Risk measures should include, but are not limited to:

- ESG (including EDI), reputational and impact
- Diversification (issuer, geographical, sector etc.)
- Liquidity
- Credit Quality
- Currency exposure

VIII. Reporting

Asset Management

Regular reports from a Manager should be shared with Management (monthly) and the EIC (quarterly). The Management reviews the reports on a monthly basis. The EIC formally meets and reviews the reports on a quarterly basis. The format and content of the reports will be agreed with a Manager by the EIC and Management.

On an annual basis, the EIC will also review the Manager's reporting against relevant responsible investment reporting frameworks (e.g. PRI) as appropriate, alongside a more detailed impact review anticipated from the Manager.

Treasury Management

The Executive review the published statutory financial statements or Access's banks report on the capital adequacy and loan to deposit ratio of each bank at each EIC meeting and ensure that they are within acceptable range. The Executive will also meet with the banks with significant deposits on an annual basis to ensure that they still meet Access's needs.

IX. Conflict of Interest Policy

See Addendum 2.