

# Investment Approach

The Reichstein Foundation's approach to investing in line with its vision and values.

December 2023



# Purpose

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The Reichstein Foundation's Strategic Plan commits the Foundation to:

1. Invest our endowment responsibly
2. Pursue a strategic mix of investments in support of our vision and values
3. Use our platform and networks to foster responsible investment practices across philanthropy

**This Investment Approach sets out a new approach to investing that would assist us to achieve our objectives.**

The Investment Approach is intended to act as a prompt for further consultation, testing and learning throughout 2024 as we work towards a final Investment Policy Statement.

Our Vision: An equal and just society on healthy country.

Our Mission: The Reichstein Foundation backs people, ideas and organisations that drive social, economic and environmental justice.

# Approach and Values

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## Approach:

**We support transformational change through our granting, investing, convening and advocacy. Where appropriate, we maximise our impact by employing a strategic combination of these roles.** In keeping with our commitment to change not charity, our approach is to:

- Tackle the root causes of systemic injustice
- Back the advocacy, campaigns and movement building needed to achieve sustainable change
- Value the voices, expertise and participation of people with lived experience of injustice
- Be led by First Peoples in supporting self Determination
- Apply a gender lens across our work

## Values:

**Transparency:** we operate with integrity and accountability

**Collaboration:** we pursue shared goals through respectful partnerships

**Courage:** we embrace new ideas and take risks to achieve transformational change

**Responsibility:** we own our role shaping a better world for future generations

# Investment Beliefs and Expectations

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We **believe** that all capital has impact. We will evaluate this impact through the lens of our mission and values.

We acknowledge that capital markets can perpetuate economic inequality and contribute to injustice.

We believe that through the intentional allocation of capital can we expose, influence and contribute to systemic change in line with our vision of an equal and just society on healthy country.

Our **expectation** is that our portfolio achieves the investment objective of the Foundation whilst also:

- Preventing exposure to excluded investments (negative screens).
- Maximising investments that align with our vision, mission and strategic investment (including by contributing to systemic change and being compatible with 1.5°).
- Promoting active engagement on social and environmental resolutions.
- Tolerating a breach of negative screens for engagement purposes.

# Current Portfolio

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- The Reichstein Foundation's portfolio is approximately \$17.3 million. It supports an annual grant-making program of around \$500,000.
- Investment objectives are based on the assumption that a high proportion of the corpus will be retained in perpetuity.
- The income objective of the foundation is to generate sufficient funds to cover the annual granting and operating expenses.
- Our current ethical overlay screens out tobacco, gambling and significant environmental violation.

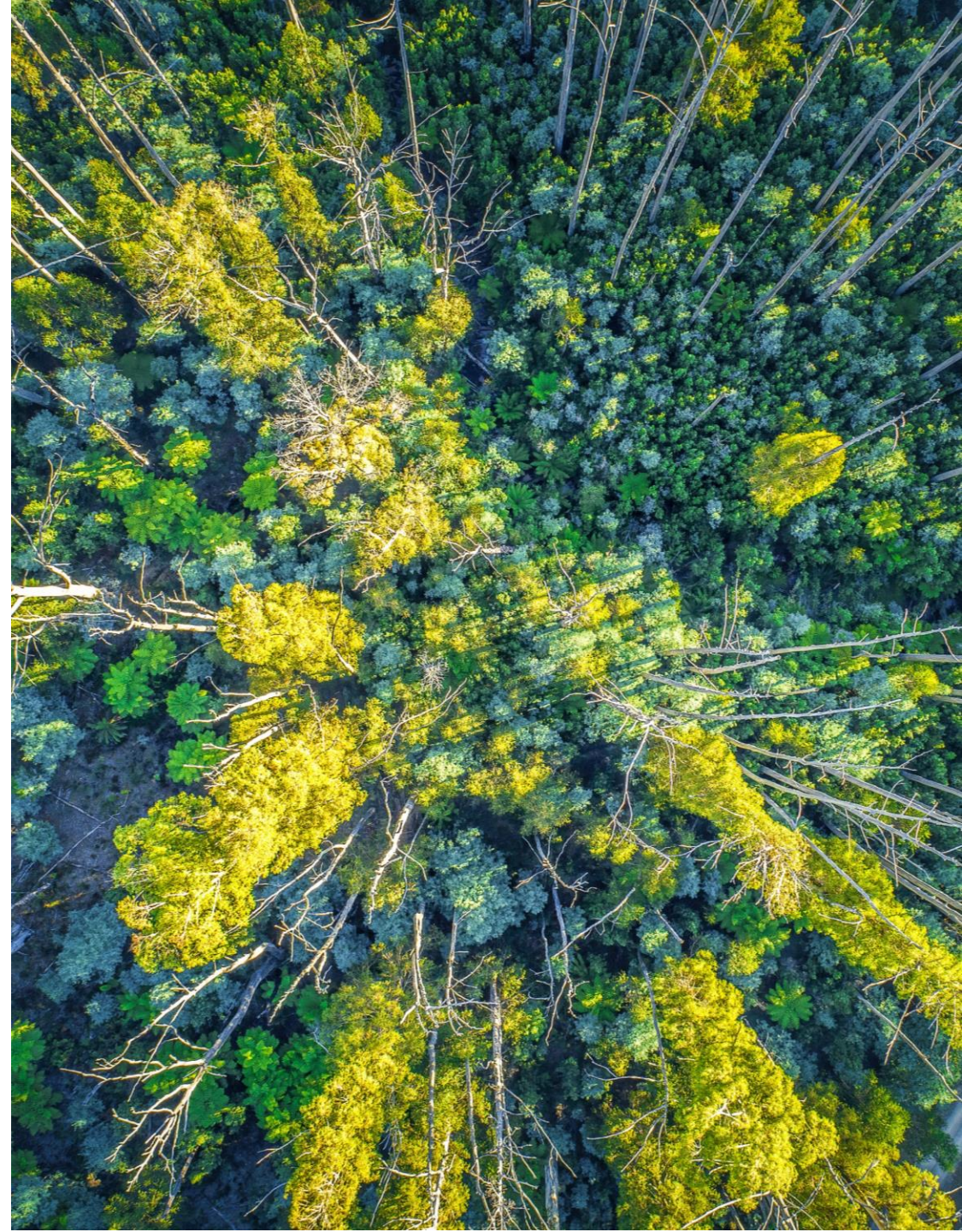
# Pathway to Portfolio Aspiration (Short to Medium Term)

- We recognise that there is currently a tension between achieving our investment objectives and our medium-term aspirations.
- In order to blend the two, we recognise that an appropriate transition period is required, and that the length of this transition will be determined by availability of aligned investments and opportunities for our broader aspirations.



# Portfolio Aspirations (Medium Term)

- That the portfolio transitions to a mix of investments 100% aligned with our vision, values and current granting priorities whilst achieving our return and cash flow objectives.
- We engage and advocate to improve the corporate and finance industries, including through resolution voting and other action for systemic and transformational change.
- That we use our platform and networks to foster responsible investment practices across philanthropy.





# Risk Appetite and Concessionary Returns

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The Foundation is willing to consider investing a portion of the portfolio in investments that may have a lower return profile and/or a higher risk profile than an equivalent standard investment on a case-by-case basis.

Our appetite for this kind of investment will reflect the following principles:

- The investment should be aligned with our vision, mission and approach
- The investment should be proximate to activities that would ordinarily be eligible for our grants
- The expected impact of the investment should be comparable the impact of an equivalent grant