

REQUEST FOR EXPRESSIONS OF INTEREST: NGARLUMA TRUSTS – INVESTMENT ADVISER

1. Objectives

The Aim of this document is to seek Expressions of Interest from suitably qualified Service Providers to provide Investment Management services to the Ngarluma Charitable Trust – Future Fund & Eligible Projects Accommodation.

The information set out in this document is intended to provide the prospective service provider with sufficient contextual information to generate an understanding of the required Services.

The document is intended to register interest only and is not to be interpreted nor relied upon as creating any form of contractual obligation, or legal or equitable rights.

2. Introduction

Equity Trustees Wealth Services Limited (“Equity Trustees”) is the current Trustee of the Ngarluma Charitable Trust and the Ngarluma Direct Benefits Trust (“the Ngarluma Trusts”). Alders and Partners Private Wealth Management are the current Investment Advisers for the Ngarluma Trusts, their term concludes on 30 June 2024.

The Trustee is seeking expressions of interest from potential Investment Advisers to provide advice on the management of the Ngarluma Charitable Trust’s investments. The Trustee will appoint the successful Investment Adviser for a period of three-years, according to a service agreement.

2.1. Purpose of the trust

The purpose of the Ngarluma Charitable Trust is to provide money, property or benefits for the promotion and advancement of the Charitable Purposes to the benefit of the current and future generations of the Ngarluma People.

The Trust is also to accumulate and invest part of the capital of the Trust Fund to provide income for Charitable Purposes for future generations of the Ngarluma People via a Future Fund.

2.2. Functions of the Investment Adviser

The functions of the Investment Adviser are detailed in Chapter 8 of the Ngarluma Charitable and Direct Benefits Trust Deeds. Their function is to:

- Assist the Trustee with a review of the Investment Policy and proposed amendments so that it is consistent with the Trust Objects regarding:
 - The risk of making, holding, and realising profits and, the likely return from investments and likely cash flow requirements,
 - The composition of the equity investments, including the extent to which the investments are diverse or to which, it is exposed to risk from inadequate diversification,
 - The liquidity of the investments concerning expected cash flow requirements,
 - The ability to discharge its existing and prospective liabilities.



- To recommend, advise and consent to the Trustee's investment decisions,
- To ensure compliance with the Investment Policy,
- To provide regular reports and information and attend Trustee meetings as required to review strategy, portfolio activity, performance, and any other relevant issues, and
- To comply with prudent standards of judgement as would be compatible with the skill and expertise of a professional in the business of portfolio management.

In addition, the Trustee expects the Investment Adviser to:

- Report all compliance breaches to the Trustee,
- Design and recommend asset allocation benchmarks and tolerance bands that will deliver the requirements of the Investment Policy,
- Ensure that recommendations are implemented once approved, and
- Respond to all requests for information from the Trustee within a reasonable timeframe.

2.3. Portfolio objectives

Given the purpose of the Trust is to provide short, medium, and long-term outcomes for the Ngarluma People, the Trustee recommends the development of four separate investment portfolios and strategies to provide the desired outcomes:

1. **An Eligible Projects investment portfolio <3 years** where income and capital of the Trust are identified for distribution within a 0 – 3-year time frame.
2. **An Eligible Projects investment portfolio >3 years** where income and capital of the Trust which has not been distributed during a financial year and has been identified for distribution in a period exceeding three years.
3. **A Future Fund investment portfolio** in accordance with the Trust's Accumulation Policy where income and capital is to be re-invested until the Target Capital Base is reached. This is a long-term investment portfolio with an investment time frame likely to exceed 10 years.
4. **Direct Benefit Trust portfolio** where income and capital of the Trust are identified for distribution within a 0 – 3-year time frame.

The Asset Allocation Benchmarks, cash flow, risk and return objectives are detailed for each identified investment portfolio.

Rio Tinto and the Western Australian State Government (Anketell) are the current contributors to the Ngarluma Trusts.

2.4. Portfolios

2.4.1. Charitable Trusts Portfolios

	Future Fund	Eligible Projects <3years	Eligible Projects >3years	Anketell
Current Value	\$37,650,000	\$1,000,000	\$2,207,000	\$5,270,000
Current Asset Mix:				
Cash	0.50%	100%	3%	100%
Fixed Interest	24%		97%	
Aust. Equities	33%			
Inter. Equities	29%			
Property	10%			
Alternatives	3.50%			



2.4.2. Direct Benefit Trust Portfolios

	RTIO	Anketell
Current Value	\$610,000	\$2,260,000
Current Asset Mix:		
Cash	100%	100%
Fixed Interest		
Aust. Equities		
Inter. Equities		
Property		
Alternatives		

3. Qualification requirements of the Investment Adviser

An Investment Adviser must meet the qualifications criteria as detailed in the trust deeds. The Investment Adviser must:

1. **Hold an appropriate Australian Financial Services Licence** (or be an authorised representative of such a licensee), with appropriate authorisations to permit the adviser, in accordance with the Corporations Act, to give advice regarding the Investment Policy and the Accumulation Policy and the various categories of investments held by the Trust and to deal with those investments,
2. **Have at least 5 years investment management experience** with funds under management of greater than \$10 million (indexed annually in accordance with the CPI),
3. **Have at least one year of investment management experience** dealing with similar trusts to the Ngarluma Charitable Trust,
4. Be **independent** of Ngarluma entities.

4. Requirements of the Investment Adviser

In responding, candidates shall address the following matters in their Expression of Interest:

1. Demonstrate their eligibility to perform the role of Investment Adviser by addressing the qualification requirements outlined in Section 3 of this Request,
2. Provide evidence of being in a sound financial position and show a minimum of three years measured financial performance,
3. Have professional indemnity insurance, and provide evidence of same,
4. Demonstrate a strong understanding of the requirement of not-for-profit organisation investment portfolios,
5. Demonstrate a strong understanding of the requirements of a fiduciary and 'prudent investment' principles,
6. Demonstrate an ability to deliver an appropriate investment advisory service to Ngarluma people - including:
 - a. Investment credentials/expertise to grow the Future Fund and protect the assets of the Ngarluma Trusts; and
 - b. In a culturally sensitive and tailored way to the Ngarluma community's needs.
7. Demonstrate a long-term track record in constructing portfolios (in asset classes relevant to the proposal). Particular attention is to be paid to risk management and return,
8. Quote transparent fees on a fee for service basis, identifying inclusions and exclusions,
9. Demonstrate strong communication skills and ability to report investment performance and contexts to a variety of audiences (including the Trustee, and the Ngarluma community).



5. Requirements for an Expression of Interest

Candidates are expected to provide a written Expression of Interest to the Trustee **no later than COB Friday 3rd May 2024**.

Responses may be submitted electronically to communitytrusts@eqt.com.au with the following Subject heading:

NGARLUMA INVESTMENT ADVISER EOI – [Firm name]

Any questions regarding the Trusts or this request document can also be directed to Luke Smith at lusmith@eqt.com.au.