Glebe Administration Board as trustee for the Diocesan Cash Investment Fund

Investment Policy Statement

as at 1 March 2026

DCIF objective

1. The Diocesan Cash Investment Fund ("DCIF") was established by the *Diocesan Cash Investment Fund Ordinance 2016* to facilitate the investment of cash held by trustees of church trust property. All trustees of church trust property (including Sydney Anglican diocesan organisations) are eligible to invest in the DCIF.

Investment return objective

2. The minimum net return objective (that is, return after costs) for the DCIF is the cash rate set by the Reserve Bank of Australia ("RBA") from time to time.

Structure of the DCIF

3. Investments in the DCIF are made by way of a loan to the DCIF.
4. In return, the Glebe Administration Board ("GAB"), as trustee for the DCIF, issues an interest in the DCIF to the lender.
5. The borrowed funds are pooled for investment purposes by the GAB, and invested in assets.
6. The GAB maintains individual accounts for each lender.

Investments

7. The DCIF offers high liquidity to its investors, and invests only in high credit-quality assets.
8. These assets consist of deposits with banks, and units in managed funds that invest solely in bank deposits.
9. Bank deposits may be at-call accounts, cash accounts with defined notice periods, or term deposits.
10. The benchmarks for investment performance reporting purposes are the RBA Cash Rate for at-call accounts, notice accounts, term deposits and managed funds.
11. All deposits are with banks that have a short term credit rating of
    (a) A-1 or A-2 with Standard and Poor's, or
    (b) P-1 or P-2 with Moody's, or
    (c) F-1 or F-2 with Fitch

    These ratings are set out in Table 21 in Attachment F of the Australian Prudential Regulation Authority ("APRA") APS 112 No.2 of 2025

    https://www.legislation.gov.au/F2025L00652/latest/text

Exposure limits

12. Exposure to any one individual counterparty, at the time of investment is limited to –
    (a) 100% of the total assets if the counterparty is one of the big 4 Australian banks.
    (b) 80% if the counterparty is rated A-1/P-1/F-1, or
    (c) 20% if the counterparty is rated A-2/P-2/F-2, or if it is a branch of a foreign bank.

13. Exposures rated A-2/P-2/F-2 or with branches of foreign banks are limited to 40% of the total assets of the DCIF, at the time of investment.
14. At all times, the DCIF will have at least 4% exposure to investments which can be converted to cash within 2 business days.

Credit Risk

15. Credit risk is the risk of loss as a result of a counterparty not meeting its financial obligations as and when they fall due.
16. The DCIF is comprised of investments held on behalf of other trustees of church trust property (including diocesan organisations). As a consequence, the GAB has a very low appetite for credit risk within the DCIF.
17. The GAB manages credit risk in the DCIF by investing only in high quality assets with well-rated counterparties.

Liquidity Risk

18. Liquidity risk is the risk of not having sufficient liquidity to meet obligations as they fall due.
19. The DCIF offers high liquidity to its investors, aiming to meet redemption requests on the day they are made, and in any case not later than 10 business days.
20. In addition to the minimum 4% exposure to very liquid assets mentioned in paragraph 14, GAB holds funds in one or more managed cash funds.

Interest

21. Interest is paid quarterly in arrears by the end of the first month after quarter-end.
22. The interest payable for a period is the proportionate amount of the income earned on the investments of the DCIF during that period.
23. Interest is paid net of the costs to the GAB of operating the DCIF.
24. These costs comprise investment management fees, investment accounting fees, administration fees, audit fees, insurance costs and SAS costs.
25. Interest is also paid net of any return to the Synod, as allowed for under the Ordinance. Any such return would be determined by the GAB.

Reporting Requirements

26. Any breach of this policy is to be reported by SAS to the GAB, along with proposed rectification action (if any) which has been taken or which should be prudently taken, and the timeframe for that action.
27. Under clause 11 of the APRA Banking Exemption No.1 of 2021 https://www.legislation.gov.au/F2021L00666/latest/text, the following disclaimer will appear on all marketing and advertising material: *"The DCIF is not prudentially supervised by the Australian Prudential Regulation Authority. Therefore, an investor in the DCIF will not receive the benefit of the financial claims scheme or the depositor protection provisions in the Banking Act 1959. Investments in the DCIF are intended to be a means for investors to support the charitable purposes of the DCIF."*
28. A report about the following matters will be provided to each ordinary meeting of the GAB –
    (a) the total investment in each counterparty, by name and credit rating,
    (b) confirmation about compliance with the terms of this Investment Policy Statement,
    (c) asset allocation exposures against weights and approved ranges, and
    (d) performance of the investments of the DCIF against objectives and benchmarks. The total portfolio will be assessed against the RBA Cash Rate benchmark.

Date of approval

29. Approved by GAB on 24 February 2026.