



UNIVERSITY OF GREENWICH

FINANCE DIRECTORATE

INVESTMENT POLICY

Owner:	Chief Financial Officer
Version number:	1.0
Last revised date:	October 2022
Next revised date:	October 2024

1. Purpose of Policy

1.1 This policy document establishes the objectives and parameters for the management of the University's long term investments.

1.2 The University of Greenwich is an exempt charity and follows an Investment policy which aims to enhance income and capital growth over the longer term in order to positively contribute to its mission of transforming lives through inspired teaching and research.

2. Roles and Responsibilities

2.1 The University's Finance Team under the direction of the Chief Finance Officer is responsible for the implementation and review of the objectives of the policy

2.2 Oversight of this policy will be undertaken by the Finance Committee to ensure that any investment activity is in line with the objectives of the policy.

3. Investment Objectives

3.1 To maximise total return on investments within the level of risk considered to be appropriate by the Finance Committee. Specifically, the University wishes to maintain the value of the investment funds, after taking account of inflation (as a minimum), over the long term. The University's measure of inflation is the Consumer Price Index (CPI).

3.2 The University's long term return target for invested funds is CPI + 3%.

3.3 The University's investment managers will be required to benchmark performance against an agreed market benchmark.

3.4 The University invests funds over the long-term, at least 5+ years, in line with a Moderate risk profile, defined as a willingness to invest in assets that may fluctuate in value in exchange for the opportunity to increase the real value of our portfolio.

3.5 In aggregate the University wishes to run a Low to Moderate risk strategy across our Treasury Portfolio and Long Term Investments.

3.6 The University seeks to invest in a way that furthers its charitable aims, and must take into account ethical and responsible investment criteria that align with the University's ethos and purpose. Please refer to Section 6 for further guidance.

4. Management of Risk

4.1 To minimise risk to an acceptable level, assets should be invested in a diversified portfolio which does not have excessive exposure to any specific sector or industry.

4.2 Long term investments are to be managed on a discretionary basis by a professional investment management firm that is approved and regularly reviewed by the Finance Committee.

5. Asset Allocation

5.1 The University routinely invests surplus reserves and endowments funds and also may make investments in spin-out companies and other related parties as opportunities arise.

5.2 There are no formal restrictions on investment in specific asset classes but the University's investment managers are expected to diversify funds appropriately for the agreed level of risk in line with our previously stated objectives.

6. Responsible Investment Policy

6.1 The University adopts a responsible approach to investment that minimises the risk of unknowingly investing in areas that conflict with the University's core values, taking account of ethical, environmental, corporate governance and social issues.

6.2 Ethics

All investments must be made on bases that are consistent with the mission and values of the University, and the current strategic plan. The University's investment managers are required to consider the following ethical criteria alongside the commercial opportunities when investing the University's funds. The University's ethical investment criteria is not exhaustive, and we reserve the right to work with our investment manager to respond to emerging social, ethical, environmental trends.

The University will not invest directly into companies whose primary business relates to the following industries:

- *Tobacco* – all companies classified as tobacco 'producers' or that derive significant revenue from the production, distribution, retail and supply of tobacco-related products
- *Armaments* – including conventional weapons, nuclear weapons, controversial weapons and civilian firearms
- *Gambling*
- *Adult Entertainment*
- *Alcohol*
- *Fossil Fuels* - all companies that have proven and probable coal reserves and/or oil and natural gas reserves used for energy purposes held within the following Global Industry Classification Standard (GICS): (a) Oil, Gas and

Consumable Fuels Industry (b) Energy Equipment and Services Industry (c) Utilities Sector (d) Diversified Metals and Mining Sub-Industry.

The University is committed to helping to protect and preserve the global environment and will aim to invest in investments which have a positive environmental and/or societal impact, subject to there being no significant impact upon financial risks and returns.

6.3 Environmental, Social & Governance (ESG)

The University invests its funds for the long term and expects its investment managers to take account of environmental, social, and governance (ESG) factors in the selection, retention and realisation of investments.

6.4 Stewardship

The University expects investment managers to engage with companies where ESG issues are a concern. We expect them to exercise transparent use of voting rights and informal dialogue to encourage better management of ESG risks and opportunities.

7. Pension Scheme Investments

7.1 The pension schemes used by the University to provide superannuation benefits to its employees are multi-employer funds constituted as separate corporate bodies with their own boards of trustees. Consequently, the schemes' funds are invested entirely separately from those of the University.

8. Implementation & Monitoring

8.1 A list of all investments is included in the University's annual Financial Statements to foster an open and transparent communication with its stakeholders. Holdings are grouped in line with statutory requirements, and comprise:

- i. Investment in subsidiary and associated companies
- ii. Loans to related parties
- iii. Other investments

8.2 The University's investment managers will be subject to periodic reviews to ensure that this investment policy, including its ethical requirements, is being adhered to.

8.3 The University has endowment funds under investment. These funds shall be accumulated with the general funds of the University for investment purposes.

9. Policy Review

9.1 This Investment Policy will be reviewed annually by the Finance Team

9.2 The Responsible Investment Policy referenced in Section 6 will be reviewed annually by the Sustainability Management Board with changes presented to the Finance Committee for approval. Reference to this policy will be incorporated into the

University's Sustainability Policy in order to increase the scope of communication and understanding of the University's commitment to ethical investment.

9.3 The University will display the policy on its web pages with the appropriate contact details to enable staff, students and other stakeholders to engage with its objectives.

Date reviewed: October 2022