

Queens' College, Cambridge

Investment Policy Statement

1. Introduction

Queens' College (the "College") adopts this Investment Policy Statement (the "Policy") by way of guidance as to the manner in which management of the overall investment portfolio (the "Total Portfolio") will be undertaken.

2. Investment Powers

The Governing Body has delegated to the Investments Committee responsibility for the management of the Total Portfolio. The Investments Committee may and is authorised by the Governing Body to make and manage investments where it has appropriate skills and expert advice; it is also authorised by the Governing Body to delegate its powers with respect to investments; and appoint, remunerate and terminate fund managers.

The Senior Bursar and the Bursarial Chief Clerk are responsible for implementing all decisions of the Investments Committee; and may act within the authority of the Investments Committee as may be required; in particular, the Senior Bursar may act on all investment matters in the College's best interests, if it is not possible to call a meeting of the Investments Committee and where the matter must be dealt with urgently.

3. Portfolio Purpose

The Total Portfolio investments are long term assets, the purpose of which is to generate both income and capital growth which will at least maintain or, preferably, increase real value for funding, in perpetuity, the College's expenditure on its charitable objects (which are study and prayer).

4. Investment Objectives and Asset Allocation

The College's investment objective is to achieve the best performance on a total return basis which is reasonably obtainable, consistent with an acceptable level of risk.

The College's desired asset allocation is set out below:

Asset class	Range (%)	Target (%)
Equities	50 - 80	
Geographic allocation basis		
UK Equities	0 - 10	0
Non-UK (including Emerging Markets)	0 - 20	15.0
Venture Capital/Private Equity	5 - 15	12.5
Thematic allocation basis	25 - 50	
College ESG Fund	5 - 20	14.0
Clean Energy	5 - 15	4.0
Healthcare	5 - 15	7.5
Global Infrastructure, including renewables	5 - 15	4.0
Digital / AI Technology	5 - 15	2.0
Bonds	0 - 10	
UK bonds, including Index Linked	0 - 10	0
Corporate Bonds	0 - 10	0
Other Overseas	0 - 10	0
Cash	0 - 5	2.0
Land & Property, Property Unit Trusts	20 - 30	30.0
Absolute Return Funds	0 - 7.0	0
Multi Asset Fund	0 - 12.0	9.0
Total		100.0

The target is a rolling one year view of the disposition of the Total Portfolio.

5. Time Horizon and Risk

The lifespan of the College is long term and therefore a medium/long term investment strategy is appropriate. The College wishes to adopt a medium risk investment strategy.

The Investments Committee considers that equities provide the best fit with the College's objectives, suitably diversified to reduce risk, including both quoted and private equity. The thematic equities are aimed at identifying long-term trends in the world economy and provide some diversification from the more traditional general allocation. The Investments Committee also believes that property provides excellent diversification whilst offering satisfactory returns; and that bonds provide excellent diversification to the rest of the portfolio in certain market conditions.

Risk control is implemented through ranges imposed for each asset class deemed suitable for consideration in the Total Portfolio and these are reviewed at least annually.

6. Restrictions

The Investments Committee is empowered to appoint fund managers that will manage the different classes of assets within the Total Portfolio. The performance of each manager will be measured against a benchmark, where available, which is deemed to be appropriate for the particular class of asset. The following restrictions apply with the exception of cash:

- a) The Portfolio assets, in the different classes, will strive not to move outside the ranges set for them.
- b) No investments are to be made in other classes of assets, unless specified in a revised statement of Investment Objectives and Asset Allocation, approved at a formal meeting of the Investments Committee.
- c) Short term cash deposits, defined as deposits up to one year, may only be made with Banks, approved by the Investments Committee, with a short term rating of F1 or above (Fitch).
- d) Unless earmarked for a particular project, cash deposits should not be fixed for a duration of longer than three months.
- e) Investments in alternative asset classes should only be made where the relevant managers have a proven track record in the relevant asset class.

The College does not impose any prohibition on investment in specified stocks or sectors of the market, but does ask the relevant active managers to take due account of and have regard to environmental, societal and corporate governance matters when considering investments. *The Committee will consider the same issues, using an ESG risk assessment and an assessment of carbon metrics based on data from Morningstar and Sustainalytics when assessing any funds in which the College invests.* Subject to these restrictions and requirements, the relevant managers have full day-to-day discretion in the management of the Portfolio.

7. Income

All income from the Portfolio is to be transferred to the College's bankers (Royal Bank of Scotland/Nat West).

8. Exceptional Circumstances

The provisions of sections 4 and 6 above are subject to any specific variations agreed to by the Senior Bursar of the College, after advice from the Investments Committee.

9. Reports, Valuations and Meetings

The Investments Committee of the College will receive:

- a) A quarterly valuation report following the end of each calendar quarter;
- b) An annual valuation report;
- c) Such other information on the performance of the investments, including newsletters, as may be available from time to time.

The meetings of the Investments Committee of the College will occur at least three times per annum to discuss historic and future market conditions, valuation, performance against benchmarks, portfolio transactions, asset allocation and investment strategy. In addition, the managers of individual parts of the portfolio will meet with representatives of the College at such other times as the College may reasonably require.

The College will have regard to those reports and valuations in considering whether the managers have adhered to the terms of this Policy.

The Senior Bursar, on behalf of the Investments Committee, will report to the Governing Body on the Portfolio twice per annum, providing details of asset allocation and performance of the different classes of assets within the Portfolio, where available.

10. Benchmark and Performance

The Investments Committee will assess the investment performance at least annually on a rolling three year basis.

The Investments Committee determines, in conjunction, where appropriate, with the relevant managers, suitable benchmarks and any new benchmark(s) will be notified to the relevant manager(s).

11. Review of Managers' Appointment

The Investments Committee will review the appointment of relevant managers every three years save that appointments may be reviewed more often or at an earlier date if the Investments Committee believes there are exceptional reasons for doing so.

12. Review of Policy

The Investments Committee will review this Policy annually.

President
Professor Edmonds
Professor Cebon
Professor Dixon
Dr Garrison
Professor Gee
Professor Reisch
Mr Spence
Professor Weber
Mr Pomfret
Mrs Koerling

31st May 2023