

# **PEMBROKE COLLEGE**

## **Investment Policy**

*This investment policy is intended to take account of Pembroke College's desire to invest ethically.*

### **Aim**

The College aims to manage its endowment on the basis of total return over the long term to provide for real increases in annual expenditure, keeping pace with our own inflation rate whilst growing the capital base in real terms, to meet the needs of both current and future generations.

To this end the College Meeting has agreed on a long term target of CPI+4% total return. The College attempts to invest to achieve this return and, so far as is consistent with this, to keep the volatility as low as possible.

All investments must be consistent with the College's charitable purposes as a place of Education, Religion, Learning and Research. The Investment Committee will judge all proposals for investment against these purposes and review its investments regularly.

### **Responsibilities as an Investor**

The College also has responsibilities as an investor for the conduct of those companies that it invests in, especially those in which it directly invests. Accordingly, it will consider how best to monitor the actions of those companies and how it might best influence those actions. It will invest for the long-term and judge companies against their long-term aims and commitments. To this end, it will look to:

1) seek out those companies whose aims are consistent with our own charitable purposes and to avoid companies whose actions are antipathetic to them, including consideration of investments in public and private equity, bonds, and unlisted alternatives;

2) engage with fund managers and companies, exercise voting rights, and participate in coalitions with other investors on environmental, social and governance issues when investing in publicly listed equities;

3) ensure that human dignity, environmental sustainability, energy efficiency, and biodiversity are respected when investing in, and managing existing holdings of, property and real estate.

These actions must be consistent with our fiduciary duties as trustees intending to maintain and increase the long-term value of the College's endowment.

## **Delivery**

Where the College invests directly in a company, it will seek to engage directly with the management of that company and encourage actions in the long-term interests of both the company and its investors. In particular, it will consider the company's actions on environmental, social and governance issues. It will vote to encourage responsible behaviour and will look to work with others who share our concerns.

The majority of the College's investments are in pooled funds through a manager. For such investments the College will progress towards voting its shares and seek to encourage the engagement of the manager with the companies. As part of the report from managers we will require information about voting practices and how environmental, social and governance issues are addressed with companies. New managers will be chosen, in part, on this basis.

## **Review**

The Investment Committee will consider each new investment against the criteria listed above. It will also review the investments it holds and its fund managers' practices at least once each year.

The Investment Committee will include information on this investment policy in its period reports to the College.

This policy will be reviewed periodically to incorporate new developments and opportunities. The College will also consider supporting research into how our responsibilities as trustees and investors may be best exercised.