



Investment Strategy and Policy

Owner:	Deputy Director of Finance
Reviewed by:	Finance and Estates Committee
Approved by:	
Review due date:	February 2021
Update history:	Original approved by Council on 10 October 2011 Finance and Estates Committee on 6 February 2019 Finance and Estates Committee on 12 February 2020

UNIVERSITY OF ROEHAMPTON

INVESTMENT STRATEGY AND

POLICY

Introduction

This document outlines the strategy and policy that has been agreed by the University's Finance and Estates Committee with regards to investing University funds.

Investment Strategy

The University's aim is to achieve a cash reserves in excess of 100 day of liquidity. When investing surplus cash reserves the University will ensure it:-

- maximises investment income;
- with minimum risk investments;
- and that funds are invested ethically.

Investment Policy

The investment policy outlines the regulations that must be adhered to in order to ensure the investment strategy objectives are achieved.

Maximise Investment Income

The University will aim to achieve this objective by working with our bank and specialist fund managers to ensure that we are aware of new products available to the sector.

Minimum Risk Investment

In order to ensure that funds are invested at a level of risk appropriate to the University, the following procedures will apply:

- No more than £4 million is invested with any one Institution or no more than 25% whichever is greater.
- Funds may be invested with financial institutions with a minimum credit rating of A
- All new products are entered into only with the approval Finance and Estates Committee
- No funds are invested for greater than a year without approval from the Chair of Finance and Estates Committee
- Quarterly Reports are provided to Finance and Estates Committee detailing the financial institutions funds are invested in and their most recent credit ratings.

Socially Responsible Investing

In making investment decisions the University expects its appointed investment managers to ensure that funds have been set up with restrictions on where the money can be invested. The University has two endowment funds with Investec. The restrictions on these funds are, that no money can be invested in the following industries:

- Arms
- Tobacco
- Alcohol
- Gambling
- Fossil Fuels

Asset Classes

In order to minimise risk the University will be restricted in the asset classes it can invest in.

The University is permitted to invest its reserves in cash equivalent investments. This includes the following:

- Money market holdings
- Short-term (no longer than 12 months) government bonds or Treasury bills

Typically these investments will be short term between 3 months and 12 months.

Endowment Funds

The University has appointed professional fund managers who are responsible for ensuring the assets are only invested in line with the University's minimum risk and ethical investment requirements.

The fund manager is permitted to invest the endowment reserves in the following asset classes both UK and Overseas, providing they are in line with the University's investment objectives:

- Equities
- Fixed Income (bonds)
- Cash Equivalents

These restrictions apply unless otherwise specifically sanctioned by the Finance and Estates Committee.

Review

Finance and Estates Committee will review this policy every year to ensure it is fit for purpose and to allow for any material changes in the external environment.