



## Investment Policy

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# UNIVERSITY OF ROEHAMPTON

## INVESTMENT POLICY

### 1. Purpose

The purpose of this policy is to establish the framework governing the University's investment activities. It ensures that financial resources are managed prudently, safeguarding assets while supporting the University's mission, strategic priorities, and long-term financial sustainability.

### 2. Scope

This policy applies to:

- All University funds, including unrestricted, restricted and endowment funds
- All entities legally controlled by the University

### 3. Governance and Responsibilities

#### 3.1 Finance and Resources Committee

- Reviews this policy annually to ensure it is fit for purpose and to allow for any material changes in the external environment.
- Considers ethical, environmental and social compliance as part of any annual review of investment performance.
- Monitors performance of investment managers and fund performance.
- The list of Finance and Resources Committee members can be found on the University website. The Finance and Resources Committee includes student representation through the President of the Students' Union who is a full member of the committee.
- Staff and students may make representations to the Finance and Resources Committee regarding the ethical, social or environmental implications of the University's investments, including requests for review or divestment through the through the Students' Union, staff representatives on Council, or other established University governance channels.

### **3.2 Chief Financial Officer (CFO)**

- Ensures compliance with this policy.
- Manages relationships with external advisors, banks, and investment managers.
- Implements operational procedures related to treasury activities.
- Maintains cashflow forecast identifying surplus cash for investment.

### **3.3 Investment Managers / Advisors**

- Provide professional investment services in line with the University's ethical, financial, and risk parameters.
- Report regularly on investment performance, risk, and market outlook.
- Persistent or material failure by an investment manager to align with the University's ethical, environmental, or human rights expectations will be treated as a factor in performance review and may lead to escalation or termination of the mandate.

## **4. Investment Policy Objectives**

The objectives of the University's investment policy are to:

1. Invest surplus cash so that it contributes to financing its core activities.
2. Maximize investment income, while at the same time exercising prudence in managing investment risks
3. Align investments with the University's values and its ethical and social responsibilities.

## **5. Risk Management Framework**

### **5.1 Risk Appetite**

The University adopts a balanced risk posture, aiming for moderate long-term growth of reserves while managing volatility with its short-term liquidity.

Given the scale and nature of the University's investment portfolio, the University does not maintain in-house specialist investment management capability and will therefore rely on appropriately qualified, regulated external investment managers to manage investments in line with this policy and risk appetite approach.

The Chief Finance Officer is responsible for selecting the specialist fund manager, after assessing their financial viability / credit ratings and ethical investment policies. This decision would be scrutinized by the Finance and Resources Committee.

## **5.2 Minimising Investment Risk**

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
- The University is permitted to invest its reserves in cash equivalent investments only. This includes money market holdings and short-term (no longer than 12 months) government bonds or Treasury bills.
- No funds are invested for greater than a year without approval from the Chair of Finance and Resources Committee

## **5.3 Endowment Funds**

The University has appointed professional fund managers who are responsible for ensuring that endowment 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 Resources Committee.

## **6. Ethical and Responsible Investment**

The University's Investment Policy is guided by ethical values and the need to manage Environmental, Social and Governance (ESG) risks in achieving this objective. These ethical and environmental restrictions apply to all University-controlled financial investments. The University will not knowingly invest in organizations in violation of international law or who primarily demonstrate:

- Institutional violations of human rights, including the exploitation of the work force and use of child labour
- Discriminatory practices
- Explicit environmental damage, including activities that cause significant harm to ecosystems, biodiversity, climate stability, or environmental sustainability
- Bribery and corruption

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. In

assessing these risks, the University expects its investment managers to have regard to internationally recognised human rights and labour standards. The restrictions on funds are that no money can be invested in the following industries:

- Arms
- Tobacco
- Alcohol
- Gambling
- Fossil Fuels, including companies primarily engaged in the extraction, production, or processing of coal, oil, or gas

Beyond the specific ethical and environmental restrictions set out in this policy, the University does not seek to apply additional thematic or values-based investment screens and relies on appointed investment managers to integrate ESG considerations as part of their standard investment and risk-management processes.

The University is committed to directly reinvest in community renewable energy and renewable energy projects on campus.

## **7. Performance Monitoring, Transparency and Reporting**

- Investment managers must report quarterly on performance, risk metrics, and market conditions.
- The Finance and Resources Committee will receive consolidated performance reports at each meeting. Transparency will form part of ongoing oversight of investment compliance and performance.
- The University is committed to transparency in its investment activities. Subject to commercial confidentiality, the University will publish an annual high-level summary of its investments or investment categories and the ethical and environmental standards applied to them.

## **8. Policy Review**

This policy will be reviewed annually or sooner in response to:

- Significant market changes
- Regulatory updates
- Strategic shifts in the University's operations