

Investment Committee

Overview

The current global pandemic has caused market instability and economic uncertainty which, in turn, has significant implications for the University's investment portfolio & cash holdings. The Investment Committee is being established to primarily focus on the immediate risks to our investments – both in terms of return and capital protection. Over time it is expected that the focus and membership of this group will develop as we move out of a period of crisis.

Terms of Reference

1. Investment policy

Finance Policy 22 'Treasury Management' sets out the guidelines which govern the placement and investment of University funds. Finance Committee is responsible for recommending a Treasury Management Policy to Council for approval. Council considers the arrangements for the identification, management and control of treasury management risk and reviews these at least annually to ensure their adequacy and suitability.

The Executive Director, Finance & Planning is responsible for implementing and monitoring the arrangements established by Council.

2. Role of the Investment Committee

The Investment Committee's role is to act as an advisory body, supporting Finance Committee in the identification, management and control of treasury management risk. It is not empowered to authorise specific investment transactions. Specifically, its role is:

- To review the performance of the University's investment portfolio and assess risk of capital loss / reduction in income, resulting from current global market instability.
- To make recommendations on changes to the University's investment portfolio considering both mitigation of risk and potential opportunities to improve yield and/or market value of holdings. Recommendations should be consistent with the University's business plan in respect of cash management and draw-down requirements.
- To consider the impact of any recommendations on the University's treasury management policy.
- To assess the potential reputational impact of the investment portfolio, in particular alignment to the University's commitment to environmental sustainability.
- To draft a strategy & policy on the use of ESG (Environmental, Social & Governance) considerations in the University's investment decision making process, for approval by Finance Committee.

3. Format and Governance

For the next 12 months, the Investment Committee will meet on a monthly basis, with more frequent consultations as required. The initial focus will be on scrutiny of the impact of COVID-19 on the Universities investment, then moving on to considering ESG and longer-term policy when appropriate.

The Committee will report to Finance Committee with a record of decisions being reported at its next regular meeting. Other governance groups will receive updates and outputs as appropriate. The group will be supported by the treasury function within the Finance, Planning & Analytics Department.

After a year, the format, membership and frequency of meetings will be formally reviewed with recommendations for changes taken to Finance Committee for approval.

4. Membership

The Investment Committee will comprise members of Finance Committee, with a balance of internal and external expertise to provide a wide range of views.

Core membership:

- Vice Chancellor
- Executive Director of Finance, Planning & Analytics (as Chair)
- University Treasurer
- Finance Committee members (2/3)

In attendance:

- Director of Finance – Planning & Analytics
- 2 * External members with financial services background

Once Investment Committee moves on from the primary focus of managing the security of our holdings during the current pandemic crisis, then it will look to bring a student representative on board to support with ESG considerations.

Members of the Investment Committee will be given the opportunity to exclude themselves from any discussion of the Investment Committee relating to an investment or potential involving (i) information which is, or may be, inside information, and (ii) an actual or potential conflict of interest.