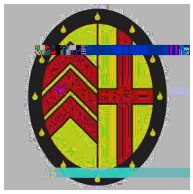


C A M B R I D G E

Adopted as of 6 July 2023

A. Purpose. The purpose of this Investment Policy is to give guidance to the Trustees on Finance Committee of the College ("Trustees") and the Investment Committee (the "Investment Committee" or the "Committee") of the College in connection with the investment and management of the 01 Tw.0 Td(0M)7 portions

2. Periodic review of the written Investment Policy for the Endowment, including any exclusions, risk appetite and investment objectives;

3. Establishment and review of an investment strategy consistent with the requirements, guidelines and principles articulated in the Investment Policy including determining the asset allocation targets and ranges to deliver the investment objectives;

4. Deciding to appointment or terminate any Investment adviser or Investment Manager;

5. Reviewing the performance of Investment Managers;

6. Regularly reporting to the Trustees material information regarding the Endowment, including value and performance, including relative performance against appropriate benchmarks, exposure to particular asset classes and other relevant information;

7. Setting annual appropriation from endowment funds for expenditure in accordance with the guidelines set forth in this Investment Policy;

8. Oversight of the financial and cash management processes and methods utilized in the management of the Endowment, including the deposit and safekeeping of moneys, securities and other financial and investment assets of the Endowment; and

9. The carrying out of any other duties and responsibilities delegated to the Investment Committee by the Trustees from time to time.

The College seeks to generate a real return (after inflation measured by CPI) of at least 3% per annum over the long-term in order to:

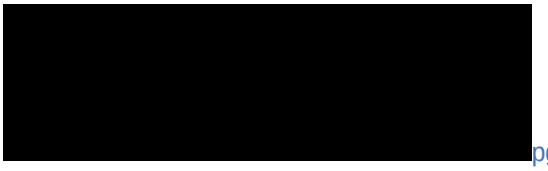
A. Preserve and [illegible] -4.8 .8 (r th)-4.9 (r to)-4.7(e)-4.8 (a3 1 Tf0 Tc 0 Tw 1.043 2w 1 0 Td( )

return sufficient to meet the stated objectives while complying with its ESG principles.

B. Re-Allocation. On a periodic basis, at least annually, the Investment Committee should review the strategic asset allocation and consider whether any changes should be made. On an ongoing basis, the Investment Committee will consider tactically re-allocating within the agreed regional weighting ranges in the particular case of public equities.

C. Minimising transaction and management costs. The Investment Committee will evaluate whether the fees charged by an Investment Manager are justified by the expected risk-adjusted returns from that manager and asset class.

D. Global Equity Securities. T.ss c assel aser asnt(a)-10.7 (i)10.1 (s)-3.7ls is (t)0.7 ( )]



A. Climate Change and Sustainability

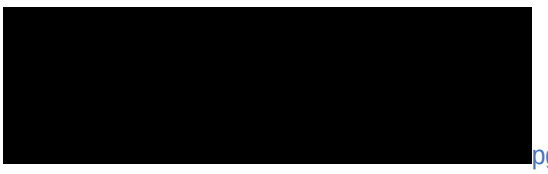
1. The College has agreed not to hold directly or indirectly shares in fossil fuel producers (defined as businesses generating 5% or more of revenue from this activity).

2. The College shares the University of Cambridge's aspiration to achieve net zero emissions by 2038 from both its operational activities and its investments.

3. The College encourages the Investment Committee to seek out investments which offer both attractive risk adjusted returns and make positive contributions to sustainability.

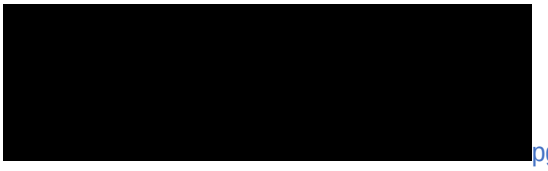
4. Management of the College's directly held properties and the property investment funds in which the College invests should also take account of best sustainability practice consistent with generating required returns.

5. The Investment Committee should report annually on its



with fundamentals has tended to generate higher returns than being invested on a purely market-capitalisation weighted basis.

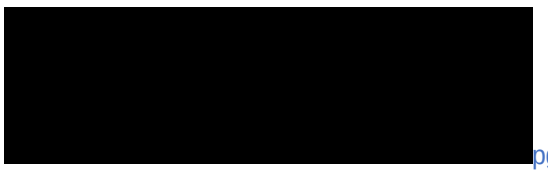
3. The portfolio's normal country-by-country allocations are set in line with fundamentals, while using fund vehicles that reflect the climate change impact and other ESG concerns. Allowable ranges are set around these normal allocations, to reflect the fact that on occasion College may want to diverge fro (ro)-4.7 (9r)2 (ac)-3n



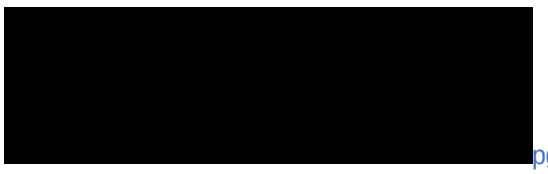
E. Liquidity. It is understood that the College must maintain a certain minimum level of liquidity that is sufficient to fund the programmatic activities of the College as well as to fund the ongoing expenses of the College, including capital calls. The Investment Committee will establish guidelines for minimum liquidity available from the Endowment and will monitor on an ongoing basis the liquidity of the Endowment consistent with these parameters. However the College does not need to pay a premium for daily liquidity as the College does not require instant liquidity and can plan when drawdowns are taken.

F. Volatility. Portfolio volatility and risk should be prudently managed in keeping with pertinent metrics that enhance the Investment Committee's ability to evaluate risk exposure and manage risk. Investment performance

Members of the Investment Committee and College staff involved with investments are expected to maintain the confidentiality of information obtained by virtue of their positions. Information obtained solely by virtue of one's position on the Investment Committee or as staff (and not from other sources or relationships) is not to be used for personal financial purposes.



Standard of Conduct



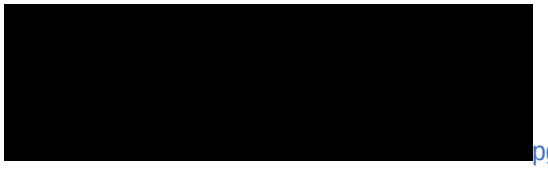
Delegation

The Investment Committee may delegate investment authority and responsibilities to an external agent, including an Investment Advisor or Investment Manager, to the extent such delegation is prudent under the circumstances. The Investment Committee must act in good faith, and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, in:

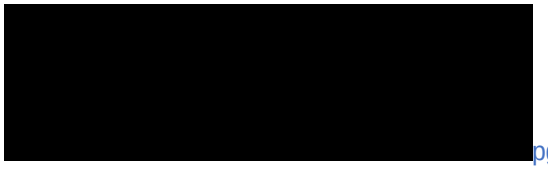
a. Selecting an agent;

b. Establishing the scope and terms of the delegation, including the payment of compensation, consistent with the purposes of the College and the Endowment; and

c. Monitoring the agent's performance and compliance with the scope and terms of the delegation.



Investment Managers are to vote shareholders' proxies. Such voting is to be solely in the long-term best interest of the Endowment as a universal owner, given Managers' stated policies, goals, and objectives, inclusive of any systemic environmental and social risk considerations, as appropriate.

It is further expected that each of the Investment Managers will report back to the Investment Committee on an annual basis regarding the results of these votes. The Investment Committee will particularly attend to director votes in relation to companies engaging in fossil fuel expansion.

Where Investment Managers or fund vehicles have their own terms regarding proxy voting, such terms will be an attribute to be considered by the Investment Committee in selecting and monitoring Investment Managers and Endowment.