



UCL

UCL Investment Policy

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The investment of funds is controlled by UCL's Investments Committee, which appoints investment managers. The Committee normally meets four times a year and reports through Finance Committee to Council, UCL's governing body. The investment managers are required to attend meetings of the Investments Committee. Income returns are agreed each year and are monitored by the Investments Committee.

The Investments Committee decides on the broad proportions of funds to be invested in bonds, UK equities, overseas equities and cash. The investment policy objective is to obtain at least the minimum returns set by the Investments Committee, having regard to market benchmarks, for the forthcoming year and also to maintain the value of the portfolio in real terms so far as practical.

Ethical considerations

1. While the guiding principle of UCL's investment policy is to generate funds, whether through income or capital growth, with which to further the work of UCL, there are three instances, established in English case law, where criteria other than financial criteria are appropriate and in accordance with which UCL will not invest in a particular business in the following circumstances:
 - i. where such investment might conflict, or be inconsistent, with the aims, objects or activities of UCL. Thus, for example, investment in the tobacco industry would be inconsistent with and would conflict with UCL's research into cancer
 - ii. where such investment might hamper the work of UCL either by alienating financial supporters or potential financial supporters; or by having a material impact on applications from potential students
 - iii. where such investment, while not excluded by virtue of (i) or (ii) above, is considered by UCL to be unethical, subject to paragraph 4 below
2. UCL's Ethical Investment Review Committee provides a forum for discussion of ethical investment matters. The Review Committee, which reports to Council, meets twice a year to consider requests received from within the UCL community for review on ethical grounds of stocks within UCL's current investment portfolio. Any businesses whose activities are deemed unethical by the Review Committee will be identified as such through a process of 'negative screening', ie the exclusion of stocks from an existing portfolio on the grounds that such stocks do not meet the ethical standards of UCL.
3. Any determination under 1(i) or 1(ii) above shall be made by the Ethical Investment Review Committee, following consultation with the appropriate UCL officers. Having made any such determination, the Ethical Investment Review Committee shall advise the Investments Committee accordingly.
4. Any determination under 1(iii) above shall be made in the first instance by the Ethical Investment Review Committee. However, where an investment is considered by that Committee to be unethical, the Investments Committee shall then be asked to consider whether acting on the determination of the Ethical Investment Review Committee would run the risk of significant detriment to UCL's investment capital fund. If the Investments Committee is not satisfied that no such risk is involved and the matter is not resolved through dialogue between itself and the Ethical Investment Review Committee, the matter shall be referred to Council for decision, in the context of UCL's overall financial position.
5. With respect to 1(iii) above, UCL recognises that there are no certain answers to questions raising moral issues and that, similarly, the distinction between what is ethical and what is unethical is not always clear. The guiding principle is that UCL will consider any concerns about

ethical investment submitted to the Ethical Investment Review Committee by UCL staff, students and alumni

6. UCL will not exclude investment in sectors from which it accepts funding for research. However, a determination might be made against investing in a particular business within such a sector on ethical grounds - relating to particular products or services, or particular practices or particular customers of that business.
7. The Ethical Investment Review Committee will take into account the published guidance of the Charity Commission on ethical and socially responsible investment of charitable funds, in particular the Charity Commission's advice that investments policy and/or decisions informed by ethical considerations shall not be a proxy for making moral or social statements at the expense of the charity concerned. UCL's investment policy and investment decisions will reflect the Charity Commission's advice.

Policy approved by UCL Council (effective from 1 January 2009)