ST PETER'S COLLEGE
UNIVERSITY OF OXFORD

Statement of Investment Policy

Approved by the Governing Body in June 2026

Background

Responsibility for managing the College's endowment (and broader investment portfolio) rests with the Governing Body. The Governing Body delegates operational oversight of investment management tasks to the Investment Committee. The Committee is made up of Fellows and volunteer independent advisors, the latter with specific skills and knowledge of the investments industry.

The investment policy and strategy are set by the Governing Body as advised by the Investment Committee from time to time. Investment performance is regularly monitored by the Investment Committee and the Investment Policy is intermittently reviewed by the Investment Committee which then advises the Governing Body.

This policy provides the terms upon which the Governing Body has agreed that its investments shall be managed.

Investment policy, objectives and performance

The College's investment objectives are to balance current and future needs by:

- Maintaining (at least) the value of the investments in real terms;
- Producing a consistent and sustainable amount of investment income to support expenditure;
- Delivering these objectives within acceptable levels of risk; and
- Delivering these objectives following strong values of Corporate Social Responsibility and adopting agreed ethical investment standards.

Exclusions

- Direct investment in companies which manufacture arms that are illegal under the Munitions (Prohibitions) Act 2010 or the Landmines Act 1998, specifically cluster munitions, anti-personnel landmines, chemical and biological weapons, blinding laser weapons, non-detectable fragments and incendiary weapons (white phosphorus).

- Direct investments in tobacco companies (as defined by Cancer Research UK).

- Direct investment in any fossil fuel exploration and extraction companies, including: coal, oil and gas exploration and extraction; in addition to a ban on thermal coal and oil sands.

- Investment in funds which invest primarily in the above listed categories of company.

Investment principles

To meet these objectives the College's investments are together managed on a total return basis, maintaining diversification across a range of asset classes to produce an appropriate balance between risk and return, within a portfolio of ethically responsible investments. In line with this approach, the College Statutes allow the College to invest permanent endowments to maximise the related total return and to make available for expenditure each year an appropriate proportion of the unapplied total return.

It is Governing Body's policy to extract as income 3.7% of the average value of the relevant endowment investments over the previous three years. The investment objective is a target total return of at least UK RPI plus 3%. Several core investment beliefs drive asset allocation in the endowment overall:

- We seek to use the advantages of our long-term investment horizon and our ability to tolerate short-term volatility, which are underpinned by our governance structure.

- The long-term nature of our organisational objectives places an emphasis on an equity bias within the investment strategy.

- We seek to ensure sufficient liquidity to deliver organisational objectives.

- We seek to maximise risk-adjusted returns from global economic activity and to have a portfolio invested with no innate geographic bias.

- Excessive concentration in a single asset poses a significant threat, should the value of that asset be permanently impaired or destroyed, hence the portfolio is managed to ensure adequate diversification.

- Given the size of the portfolio and the limited resources available, the best returns will generally be driven by creating aligned partnerships with the strongest external managers. However, we retain the option to own assets directly.

- We are flexible as to the nature of the vehicles in which we invest. However, we will not knowingly invest in structures or assets which create potential unlimited financial liability or significant adverse operational, reputational or legal liability.

- Inflation can significantly impact real long-term purchasing power. Hence, most of the portfolio is invested in assets where cash flows are expected to exhibit some protection in real terms. These may include private or public corporate equity, property and infrastructure.

Asset mix

The Portfolio will be invested in accordance with each external manager’s strategy, with the overall mix designed to meet the investment parameters set out in these Investment Guidelines, and subject to regular review by the Investment Committee.

Currency

Portfolios are to be denominated and valued in Pound Sterling. Investments may be made in non-Sterling assets.

Volatility

The College is a long-term, largely unconstrained investor and therefore able to withstand volatility and fluctuations in capital value. However, the volatility of the Portfolio will be monitored and reported to the Investment Committee.

Liquidity

The reserves policy, as stated in the annual published accounts, is to maintain sufficient free reserves to enable college to meet its short-term financial obligations in the event of an unexpected shortfall.

The College maintains a level of liquidity that ensures there is sufficient cash to cover next year's drawdown as well as 3-5 months of expenditure without having to liquidate investments.