

KING'S COLLEGE LONDON ENDOWMENT ASSETS ETHICAL INVESTMENT POLICY

The members of the Council of King's College London ('King's') are the Trustees of the King's Endowment Asset investments and are ultimately legally responsible for the proper investment and safekeeping of these funds. They have delegated this responsibility to the King's Finance Committee which has set up an Investment Sub-Committee to oversee investment policy and manage performance.

King's ethical investment policy will have consideration to its duty to invest in a way that furthers the purposes of King's with due regard to risk, reward and liquidity. This will normally be achieved by seeking the maximum risk informed return from a portfolio of investments which have been selected prudently, subject to the screening out of investments that do not conform to this policy.

In order to maintain a sufficient spread of investments to protect the assets from undue risk and to minimise the cost of trading, the Investment Sub-Committee has sought to utilise investment funds rather than direct company investments. The screening of investments is based on the underlying assets of the funds, and it may be that funds claiming an 'ethical' stance will be screened out of the available investment universe by the attention to the underlying assets.

The King's Trustees will operate an ethical investment policy in accordance with Charity Commission guidelines which will:

- Avoid direct or indirect (via pooled funds) investments in businesses that would for practical reasons conflict with the aims and objectives of King's;
- Avoid direct or indirect (via pooled funds) investments that might hamper King's work, either by making potential beneficiaries unwilling to be helped because of the source of the income to the Endowment fund, or by alienating supporters. This requires Trustees to strike a balance between the likely cost of lost support if King's was to hold the investments and any risk of financial under-performance if those investments are excluded from its portfolio.

In the light of the above Charity Commission guidelines King's will not knowingly:

- Hold any direct or indirect (via pooled funds) investment in tobacco companies as this would be inconsistent with and would conflict with King's research into cancer. When investing in pooled funds, King's will seek zero investment in tobacco, and monitor exposure regularly.
- Hold any direct or indirect (via pooled funds) investments in companies engaged in the extraction or refinement of fossil fuels, subject to there being no significant adverse impact on benchmark risks and financial returns used to support academic activity and monitor exposure regularly;
- Hold any direct or indirect (via pooled funds) investments in companies deemed to be engaged in controversial weapons. In this context, controversial weapons are defined as cluster bombs, land mines, depleted uranium weapons, chemical and biological weapons, blinding laser weapons, non-detectable fragments and incendiary weapons (white phosphorus). Exposure to any such investments will be monitored regularly.

In the three exclusion categories above, King's will rely on regular international screening of funds and their underlying assets via MSCI Inc.

King's will also:

- Increase the commitment to investments with socially responsible benefits to at least 40% by 2025 subject to there being no significant adverse impact upon benchmark risks and returns;
- Notify managers of its ethical policy. Ensure that Investment Managers collect and review the ESG statements and responses from fund managers on an annual basis.
- When selecting Investment Managers, King's will evaluate the manager's capabilities in ESG as a factor in the hiring decision;
- Encourage our fund managers to become signatories to the United Nations Principles for Responsible Investment (UNPRI).
- Consider the overall Endowment Asset performance and Ethical Investment Policy compliance on at least an annual basis via Finance Committee of Council and disclose both performance and Compliance in the King's Annual Report.

At King's we believe that the successful management of environmental, social and governance (ESG) issues is fundamental to creating value for investors. Companies that are successful in avoiding ESG risks tend to outperform in the longer term.

We expect our investment managers to engage with companies through the judicious and transparent use of voting rights and informal dialogue to encourage better management of ESG risks and opportunities.

This should include consideration of key ESG issues such as: Climate Change, Ecosystem Services, Environmental Management, Labour Standards, Human Rights, Public Health, Corporate Governance, Business Ethics and Sustainability Management and Reporting, including those companies in supply chains.

Appendix – List of Investment Funds 2024

Review date: September – November 2026

<u>KING'S COLLEGE LONDON</u>		
<u>SUMMARY OF INVESTMENTS</u>		
<u>MARKET VALUES AS AT 31 JULY 2024</u>		
		Market Value
Investment Manager		£
Global Equity		
Lindsell Train Global Equity Strategy		31,519,995
Ownership Capital Global Equity Fund		34,754,599
Northern Trust Green Transition Strategy Index Fund		52,719,183
Maj Invest Global Value Strategy Fund		44,429,013
RobecoSAM Sustainable Water Equities Fund		16,927,796
Polar Smart Energy Fund		9,715,395
GMO Climate Change Strategy Fund		5,701,778
	Subtotal	195,767,759
Emerging Markets Equity		
Generation IM Asia		10,323,658
Acadian Emerging Markets Fossil Fuel Free Fund		17,104,440
	Subtotal	27,428,098
Private Equity		
Accolade Partners Growth I Feeder L.P.		2,633,081
Accolade Partners Growth II Feeder L.P.		1,092,076
Accolade Partners Growth III Feeder L.P.		341,760
HarbourVest Dover Street X Fund		4,462,306
HarbourVest Dover Street XI Fund		1,191,839
LGT Crown Global Secondaries V Fund		3,920,087
LGT Crown Global Secondaries VI Fund		257,386
SV7 Impact Medicine Fund L.P.		112,856
	Subtotal	14,011,391
Property		
Savills Charities Property Fund		12,705,932
Credit		
RobecoSAM Climate Global Credits		14,386,443
Inflation Linked Bonds		
Payden Global Inflation Linked Bond Fund		12,565,060
UK Gilts		
BlackRock GiltTrak		11,689,467
Cash		
Funds Pending Placement		15,824,911
Schroders		2,585
	Subtotal	15,827,496
Total Assets excluding Illiquid Funds		304,381,646
Legacy Private Investments		400,000
Total Portfolio		304,781,646