

Name of Policy: Responsible Investment Policy

RESPONSIBLE COMMITTEE: General Purposes Committee

RESPONSIBLE OFFICER: Principal Bursar

LINKED DOCUMENTS: College: Environmental, Social and Governance Policy

LINKED DOCUMENTS: Other: n/a

Annual Review date: First meeting of Hilary Term

Introduction

Trustees must exercise their fiduciary duties in the best interests of the charity and investment decisions have to be justifiable in terms of the College's charitable objectives. The College's charitable aim as a perpetual institution of learning and research sets the parameters for investment activities. Trustees are required to assess the financial impact of investment decisions and take financial advice before deciding on policy changes.

St John's College has evaluated its approach to ethical investment and established a framework for considering investment in certain asset classes. The approach and deliberations are summarised in the 2020 [Ethical Investment Report](#). As a result, Governing Body decided to divest from tobacco and to limit investment in arms companies as follows:

- exclude direct holdings in managed funds at 0% for controversial weapons and >10% of annual turnover for conventional weapons;
- limit exposure in individual pooled funds or indirect investments to less than 2% per tracker fund and less than 4% per small cap and private equity fund; and
- set an aggregate exposure from pooled funds at a maximum of 2% of the total listed portfolio.

This policy draws together the approach to responsible investment and sets out an approach to investment, engagement and monitoring.

Approach

St John's has recently refocused its equity investments into three key areas:

- Fund manager led large portfolios (c. 65% of equity value)
- Tracker funds (c. 25%)
- Small-capital funds, private equity, start-up (c. 10%)

The College's prime investment managers are Cazenove, who score consistently highly in ESG rankings and is a member of the [UN's PRI](#) (Principles of Responsible Investment), [Climate Action 100+](#) and signatory to the [Global Investor Statement to governments on climate change](#). The two main holdings managed by Cazenove are Evenlode Global Income, which has a very strong and focused ESG approach, and

Schroder ISF Global Sustainable Growth, which invests in sustainably-run companies as they believe these offer superior growth and stable long-term returns.

Edgewood is responsible for the College's US portfolio. For the Large Cap Growth portfolio, Edgewood will not invest in companies where a significant amount of revenues are derived from manufacturing tobacco products, manufacturing cluster munitions and landmines, producing pornography, or operating gambling establishments. While they are not a signatory to the UN's PRI, Edgewood applies several of the principles in practice.

In order to obtain diversified exposure to listed equities the College invests in exchange-traded funds, which track common global indices. Within these indices there may be indirect exposure to restricted areas of investment. The aggregate exposure to these restricted areas remains a small portion of the College's listed investments. The exposure is monitored on an ongoing basis as set out below and adjustment will be considered if required. The global small cap funds and private equity investments will also be subject to annual screening.

The College has limited investment in start-up funds and, as direct investment, will be subject to ESG considerations at the time investment is made.

Engagement

St John's has joined the [Responsible Investment Network – Universities](#) (RINU), run by Share Action along with some other Oxford and Cambridge colleges. This forum enables the College to achieve a greater impact than it would from acting alone. It also allows the College to learn from, and to support, other institutions sharing similar aims.

When engaging collaboratively as part of RINU, the College may be willing to join initiatives that involve companies in which it is not invested in, provided that they are not excluded from its investment guidelines. The College may on occasions, at its discretion and with the support of Governing Body, participate in campaigns where there is a clear correlation with its interests. However, the College is not a campaigning organisation, and has a duty to direct its resources towards its charitable objectives, so does not regard this as a major part of its engagement strategy.

Instead, St John's College relies on its managers to actively engage with companies in which it holds investments on its behalf. A review of their activities will form part of the annual monitoring process.

Monitoring

On an annual basis the Investment sub-committee will:

- Screen its holdings for asset classes of interest to determine if any adjustments are needed to its holdings.
- Require all investment managers (holding over 5% of total invested value) to provide an annual report on their ESG activities, including engagement
- Take account of reports from RINU who provide an objective review of manager performance on ESG to support scrutiny

A report will be provided to Governing Body to ensure the Trustees have visibility of current performance in ESG terms, and to provide transparency as to the nature of the holdings in all asset sectors.



POLICY HISTORY

<i>Date of GB approval</i>	<i>Brief summary of changes</i>	<i>Confirmation that linked documents have updated if necessary</i>	<i>College policy register updated</i>
MT2022	Policy approved by Governing Body	Confirmed	YES (I Burke)
HT2024	Policy reviewed by GB, no amendments	Confirmed	YES (I Burke)
HT2025	Policy reviewed, added previously agreed limits to investments in arms; agreed by GB	Confirmed	Yes (I Burke)