UNIVERSITY OF CAMBRIDGE

Statement of Responsible Investment Principles

Cambridge University Endowment Fund

ADOPTED BY THE CAMBRIDGE UNIVERSITY ENDOWMENT TRUSTEE BODY ON 3RD JULY 2026

Introduction

The University's mission is "to contribute to society through the pursuit of education, learning, and research at the highest international levels of excellence". All the resources of the University are ultimately applied to this charitable purpose. Its core values include freedom of thought and expression and freedom from discrimination, as well as concern for sustainability and the relationship with the environment.

The Statement of Responsible Investment Principles (the "Principles") sets out the high-level investment principles of the Cambridge University Endowment Fund ("CUEF" or the "Fund") with regard to Responsible Investment. The Principles are set by the Cambridge University Endowment Trustee Body (the "Trustee" or "CUETB") in consultation with unitholders, University of Cambridge Investment Management ("UCIM") and the Investment Advisory Board.

The CUETB was established by the University of Cambridge on 3rd June 2022 and is comprised of six members: three members appointed by the Council; two members appointed by the unitholders; and one person independent of the University and other institutions participating in the CUEF who has significant experience in Responsible Investment.[1]

The CUETB defines Responsible Investment as "*an approach to investment that explicitly acknowledges the relevance to the Fund of environmental, social and governance factors. It recognises that the generation of attractive long-term investment returns is dependent on stable, well-functioning and well-governed social, environmental and economic systems, including financial markets*".

UCIM has been appointed by the Trustee as the manager of the CUEF. UCIM's mission is to serve the University, Colleges and Trusts by delivering world class, sustainable investment performance over the long-term.

Investment Principles

The management of the CUEF should reflect the interests and values of the unitholders across all areas of investment activity, insofar as such considerations are consistent with its Investment Objectives. In this context, the Fund has four Principles:

Invest for the long term: *As the University of Cambridge is a perpetual institution, the CUEF should consider the long-term implications of all relevant investment decisions.*

Promote good governance: *Clear, consistent, and rigorous governance structures and processes are essential to optimal decision-making. This approach applies equally to the CUEF and its Investment Manager, as well as its underlying investments.*

Align with Net Zero: *Climate Change is the most pressing problem facing humanity, necessitating a transition to an economic system with net zero greenhouse gas emissions. Positioning the CUEF to*

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[1] https://www.cam.ac.uk/notices/news/appointment-of-trustees-to-the-cambridge-university-endowment-trustee-body

prosper in a future net zero economy is consistent with meeting its long-term risk-adjusted investment return objectives.

Champion diverse teams: *Diversity of thought leads to more effective decision-making for society and the environment as well as driving better financial performance.*

Implementation

The Trustee believes that the Fund's assets should be invested responsibly in a manner that is consistent with the Principles set out above. When appointing and monitoring the Investment Manager of the Fund the Trustee takes the Principles into account and expects the Investment Manager to have a framework in place to actively and consistently consider negative and positive impacts on society and the environment across all investment decisions.

The Investment Manager – University of Cambridge Investment Management ("UCIM")

As manager of the CUEF, University of Cambridge Investment Management ("UCIM"), is required to take into consideration the Principles when setting its Investment Strategy and has committed to ensuring the CUEF is positioned to prosper in a future net zero economy.

Consideration of environmental, social, and governance issues is core to UCIM's investment philosophy, investment process, and portfolio monitoring. As a result, where responsible investment topics are material to an investment, UCIM expects that the CUEF's fund managers will take the relevant risks and opportunities into account during investment decision-making. As part of UCIM's appointment of a new fund management partner, the partner's ability to assess and react to responsible investment topics is scrutinised.

UCIM monitors several categories of investment that are of interest to CUEF investors for both financial and non-financial reasons, including:

Environmental Sustainability

As a long-term investor, UCIM believes that positioning the CUEF to prosper in a net zero economy is consistent with generating the highest-possible risk-adjusted returns for unitholders over the long-term. UCIM believes that its greatest ability to impact the real economy and to decarbonise existing investments is through engagement with the CUEF's fund managers. In addition, UCIM has made the following commitments:

- Zero fossil fuel exposure in direct investments made by UCIM on behalf of the CUEF;
- Indirect exposure to fossil fuel companies will be reduced as quickly as possible;[2] UCIM aims for the CUEF to have no meaningful exposure by 2030;[3]
- Significant capital invested in renewable energy.

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[2] UCIM has defined fossil fuel companies as all companies engaged in exploration and production, refining and marketing, storage and transportation of oil, gas and coal, and provision of equipment and services to these companies.
[3] UCIM has informally defined "meaningful" as 0.5% or less. This timeframe is primarily due to exposure to illiquid funds specialising in conventional energy, which were already in the CUEF when the current investment team took over stewardship of the Fund in January 2020.

Defence

Weapons prohibited under UK law are excluded from the CUEF's investment universe.[4]

At the request of the CUETB, UCIM also monitors the CUEF's exposure to the Aerospace & Defence sector, as a proxy for the Fund's exposure to legal weapons.[5]

Other Responsible Investment Categories

In addition to the environmental and social issues discussed above, UCIM monitors several categories of investment of interest to CUEF investors at the request of the CUETB. These categories have been determined by a review of investors' responsible investment policies, and through discussion with the CUETB, and comprise tobacco, gambling and adult entertainment.

Further information regarding UCIM's Investment Strategy and approach to Responsible Investment can be found on its dedicated website.

Reporting

Annual reporting to Regent House

The CUETB reports annually to Regent House on its activities.

Annual reporting to the CUETB and Unitholders

UCIM reports on compliance with its Responsible Investment Policy, including the CUEF's exposure to fossil fuels, gambling, adult entertainment, and tobacco, as well as to individual companies in the aerospace and defence sector to the CUETB on an annual basis. Further details on the transparency and reporting provided by UCIM to the CUETB is set out in UCIM's Responsible Investment Policy.

The CUETB provides a summary report to the CUEF's investors on an annual basis. If the CUETB determines actions need to be taken by UCIM following scrutiny of the CUEF's holdings, any such actions and the timeline within which they are to be taken will be reported to Unitholders

Annual reporting to University stakeholders

UCIM produces a publicly available Annual Review of the CUEF_and engages with stakeholders across the University on a regular basis.

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[4] *See UCIM's Responsible Investment Policy for further information*

[5] *As the University Working Group on Investments in and Research Funded by Companies belonging to the Defence Industry found, there is no universally accepted of "defence" or "conventional weapons" for investment purposes. The Global Industry Classification Standard ("GICS") definition of Aerospace and Defence has been adopted by UCIM as a proxy for the defence sector. This classification captures companies deriving the majority of revenues from the manufacture of civil or military aerospace and defence equipment, parts or products, as well as military shipbuilding and companies that offer services to the defence industry, including support services, infrastructure services, operational support services, and supply chain & logistics management.*

Quarterly financial reporting to CUETB and Unitholders

UCIM reports financial performance and progress against sustainability objectives to the CUETB and to investors in the CUEF on a quarterly basis.

Appendix – UCIM Governance Structure

Cambridge University Endowment Trustee Body (“CUETB”)
(represents the University as trustee of CUEF and sole shareholder of UCIM)

- Fiduciary duties to all CUEF investors
- Three members appointed by University Council; two members appointed by CUEF investors; one independent member appointed by CUETB
- Oversees and consults with the Investment Advisory Board and UCIM

UCIM Board

- Governing body responsible for oversight, compliance and risk management of UCIM
- Sub-committees: Remuneration and Nominations; Valuation; Audit, Risk, Compliance and Controls
- Reports to CUETB

Investment Advisory Board

- Committee constituted by the CUETB
- Chair and minimum of 5 independent members
- Consults with CUETB and UCIM on investment strategy and portfolio management

University of Cambridge Investment Management (“UCIM”)

- Investment Manager of the CUEF
- Reports to CUEF Investors
- Authorised and regulated by the Financial Conduct Authority

Cambridge University Endowment Fund (“CUEF”)