

## **Ordinance Appendix B:**

### **Terms of Reference of Council Standing Committees and Subcommittees**

#### **INVESTMENT SUBCOMMITTEE, SUBCOMMITTEE OF FINANCE COMMITTEE**

##### **1. Authority**

- 1.1 The Council of King's College London are the trustees of the College's endowment and are ultimately legally responsible for the proper investment and safekeeping of these funds. They have delegated this responsibility to the College's Finance Committee which has resolved to establish a Subcommittee to be known as the Investment Subcommittee to oversee investment policy and processes.
- 1.2 The Subcommittee is authorised by the Finance Committee to obtain outside legal or other independent professional advice and to secure the services and attendance of outsiders with relevant experience and expertise it considers necessary. It may incur expenditure in this respect with the delegated financial authority of the Finance Committee.

##### **2. Duties**

- 2.1 To consider and appoint external investment advisors and investment managers and to negotiate and agree their fees and charges.
- 2.2 To consider and take appropriate action concerning any question of resignation or dismissal of the external investment advisors and managers.
- 2.3 To manage investment strategy in accordance with the College's investment policy as follows:
  - 2.3.1 To maintain the real value of capital.
  - 2.3.2 To yield a sum of revenue annually as determined by the Director of Finance and the Subcommittee.
  - 2.3.3 Not to make any direct investment in tobacco shares and to ensure that the investment managers have due regard to ethical and environmental issues and maintain a dialogue with companies in which they invest regarding these matters.
  - 2.3.4 Aim to divest from all fossil fuel investments by the end of 2022 subject to there being no significant impact upon financial risks and returns used to support academic activities.
  - 2.3.5 Increase the commitment to investments with socially responsible benefits from the present aim of 15% to an aspiration of at least 40% by 2025 subject to there being no significant impact upon financial risks and returns.
  - 2.3.6 That investment managers' performance be measured against a composite tailored benchmark index.
- 2.4 To review annually the performance of the College's investment portfolio and asset mix.
- 2.5 To regularly review the investment risk profile of the College's portfolio in conjunction with the investment policy.
- 2.6 To regularly meet and receive reports from the investment managers appointed by the Subcommittee and review their performance and strategy.
- 2.7 To advise the Finance Committee on investment policy and to recommend changes.
- 2.8 To consider any other investment matters they deem necessary or which are brought to their attention by the Finance Committee or the Director of Finance.

### **3. Composition**

- 3.1 The Investment Subcommittee and its Chair shall be appointed by Finance Committee. At least two members should have a background in investment matters. There shall be not fewer than four members, as follows:
  - 3.1.1 An independent chair
  - 3.1.2 The Vice-Chancellor and President
  - 3.1.3 The Vice President (Finance)/Chief Finance Officer
  - 3.1.4 The Chief Accountant
  - 3.1.5 A minimum of three independent Members of Council or Independent Co-opted Members
  - 3.1.6 A student member
- 3.2 A quorum shall be two members excluding ex-officio members.
- 3.3 Members of the Investment Subcommittee shall hold office for a period of three years and will be eligible for reappointment for a further period of three years immediately following expiry of their first term of office. A third term of office is not excluded bearing in mind the long-term nature of the evolution of investment strategy.
- 3.4 The Honorary Treasurer may attend meetings of the Investment Subcommittee.
- 3.5 The Subcommittee may invite such others as it deems appropriate to attend meetings.
- 3.6 The Treasury & Tax Accountant shall be Secretary to the Subcommittee.

### **4. Frequency of Meetings**

Meetings shall normally be held at least four times a year. The external investment advisors may request a special meeting, if they consider one is necessary, through the Vice-President (Finance).

### **5. Reporting Procedures**

The minutes of meetings of the Subcommittee will be reported to the Finance Committee.