

# Investment Policy (Extract)

## Purpose

- a. The University's investment mission is to support the sustainability of its long-term financial capacity by both preserving and growing its capital base. Flinders will prudently and responsibly invest its funds to manage risks and achieve sustainable, long-term returns that will help to deliver the strategic vision for the benefit of the whole University community.
- b. This policy supports this investment mission by detailing the University's principles for responsible investment and establishing the governance arrangements for making investment decisions.

## Policy statement

### Investment Mission

It is our investment mission to support the sustainability of the University's long-term financial capacity and to both preserve and grow its capital base. Our purpose is to prudently invest these funds to deliver on the University's strategic mission for the provision of world-leading research and education into the future. We acknowledge as a high priority the importance of responsible investment in managing risk and achieving sustainable, long-term returns, to deliver on our strategic objectives for both our students and community.

### Investment Beliefs

- a. We believe in investing in a range of asset classes that can meet both short and long-term investment objectives and responsible investment aspirations in a manner consistent with the University's social purpose and values.
- b. We believe that leading-practice governance frameworks facilitate good investment decision-making. It is important our governance policies and procedures are documented and executed to deliver responsible investment outcomes taking into account environmental, social and governance (ESG) principles, accountability, disclosure, and transparency.
- c. We believe having an active risk-aware culture assists to manage investment risk and reduce the risk of failing to meet investment return objectives. The University manages risk through asset allocation, portfolio construction, diversification, and manager selection.
- d. We believe that long-term strategic asset allocation is a key driver of risk-adjusted returns, hence will improve the University's ability to achieve its investment objectives. In addition, having a process to monitor, dynamically review and adjust asset allocation can both improve investment performance and reduce portfolio risks.
- e. We believe that for the University's endowed funds there is an obligation to protect and maintain the real value of the endowment, where required, and to operate all endowed funds in accordance with their respective terms.
- f. As a provider of patient capital, the University can invest in unlisted assets where this meets the University's financial, strategic and/or operational objectives.
- g. We believe outsourcing investment management to appropriately skilled professional managers is the most suitable approach for management of the University's long-term capital, except where local partnerships or direct investments in assets or university projects is justified.

### Responsible Investment

- a. The University will make responsible investments aligned with:
  - i. the University's environmental Sustainability Plan
  - ii. Flinders' strategic plan
  - iii. environmental, social and governance (ESG) factors

b. the six UN Principles for Responsible Investment<sup>1</sup>The University may at its absolute discretion screen out investments where it considers it appropriate to do so on the basis of environmental, social and governance (ESG) factors or any of the other responsible investment factors above.