



Version	Approved by	Approval date	Effective date	Next review date
3.1	Administrative update by the Director of Governance	8 <sup>th</sup> December 2017	8 <sup>th</sup> December 2017	November 2019
<b>Policy Statement</b>				
<b>Purpose</b>	To provide a framework for the investment of funds donated to the University of New South Wales (“UNSW”) and of operating funds and financial reserves not immediately required to meet the liquidity and transactional needs of UNSW.			
<b>Scope</b>	This policy applies to all investable donated funds and funds not immediately required to meet the liquidity and transactional needs of UNSW. Areas specifically out of scope of this policy: <ul style="list-style-type: none"><li>• Short-term investment activities governed by the UNSW <i>Treasury Policy</i> 2015</li></ul>			
<b>Policy Provisions</b>				

## 1. Policy Statement

UNSW manages its investments prudently to protect capital and earn an acceptable return at an appropriate level of risk. UNSW’s organisational strategy, research objectives and ethical position must be reflected when undertaking investment activities. In conducting investment activities UNSW:

- 1.1 Expects the organisations it invests in to operate responsibly and be good corporate citizens.
- 1.2 Believes environmental, social and corporate governance (ESG) factors can impact investment risk and returns and contribute to sustainable growth.
- 1.3 Recognises that climate change is impacting the environment, communities, and the economy.
- 1.4 Generally does not invest directly but rather via third party investment managers
- 1.5 Will not invest, directly or indirectly, in certain industries:
  - a) Manufacturers of cluster munitions
  - b) Manufacturers of tobacco products (but not retailers)
- 1.6 Will establish and maintain a climate change strategy for investments that:
  - a) Reflects the commitments made under the Paris Agreement
  - b) Reflects the University’s endeavours to find solutions to climate change
  - c) Reflects a leading position among university peers
  - d) Does not exclude specific sectors or products but gives direction and discretion for managing climate risk and opportunity to its third party fund managers.

## 2. Roles and Responsibilities

- The Investment Sub-committee of the Finance Committee of University Council will implement and monitor this policy. The Investment Sub-committee will report on the application of this policy annually to University Council.
- The Director of Treasury and Investment Services will ensure that appropriate systems and procedures are in place to support this policy.

### 3. Acknowledgements

This policy was developed in consultation with the specialist Asset Advisory practice of Mercer Investments (Australia) Limited.

Accountabilities				
Responsible Officer	Vice-President, Finance and Operations			
Contact Officer	Director of Treasury and Investment Services <a href="mailto:a.fellowes@unsw.edu.au">a.fellowes@unsw.edu.au</a>			
Supporting Information				
Legislative Compliance	This Policy supports the University's compliance with the following legislation: <i>University of New South Wales Act 1989</i> (NSW)			
Supporting Documents	Investment Procedure			
Related Documents	<a href="#">UNSW Treasury Policy 2015</a> <a href="#">UNSW Treasury Procedure 2015</a>			
Superseded Documents	Investment Policy, v3.0			
File Number	2016/30716			
Definitions and Acronyms				
The Paris Agreement	<p>An agreement negotiated by representatives of 195 countries at the 21<sup>st</sup> Conference of the Parties of the United Nations Framework Convention on Climate Change (UNFCCC) in Paris and adopted by consensus on 12 December 2015 dealing with greenhouse gases emissions mitigation, adaptation and finance starting in the year 2020 with the aim to enhance the implementation of the UNFCCC through:</p> <p>(a) Holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change;</p> <p>(b) Increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development, in a manner that does not threaten food production;</p> <p>© Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.</p>			
Revision History				
Version	Approved by	Approval date	Effective date	Sections modified
1.0	Finance Committee	15 December 2005	15 December 2005	
1.1	Amended by Finance Committee of Council	9 March 2010	9 March 2010	Changes to the strategic asset allocation benchmarks.
2.0	Vice-Chancellor	25 November 2010	1 December 2010	
3.0	President and Vice-Chancellor	7 November 2016	7 November 2016	All
3.1	Administrative update by the Director of Governance	8 December 2017	8 December 2017	UNSW logo and cross-reference to Investment Procedure.