



Investment Policy

Owner: Director of Finance

Approval: Trustees



Date created: May 2023

Date reviewed and approved: Dec 2025

Date next review: Dec 2026

Investment Policy

1 Purpose

- 1.1 The University of Bristol Students' Union (Bristol SU) holds investments to make best use of its resources for members, by investing to:
- a) achieve the best practical return on its funds, balanced by:
 - o an appropriate level of risk
 - o an appropriate timeframe for achieving returns and for funds to be 'locked' into investments,
 - o Bristol SU's ethical priorities, and
 - o efficient use of Bristol SU staff time and resources.
 - b) protect against loss of value of funds due to inflation.
 - c) strengthen its financial position to help deliver its strategy.

2 Bristol SU's Investment Profile

- 2.1 Bristol SU's investments are (will be) made up of a mixture of:
- Operating Cash
 - Short term deposits
 - Investments under management
- 2.2 Specific values, return targets and risk profiles are set out in *Appendix 1*, to be reviewed at least yearly in November.

Operating Cash

- 2.3 Bristol SU will keep sufficient cash for its day to day operations in current and instant access savings accounts as we determine needed by our cashflow forecasts.

Short term deposits

- 2.4 Any funds not managed by our Investment Manager or needed for our operations will be held in a mixture of short-term cash deposits (varying between 3 months and 2 years).

FSCS guarantee

- 2.5 Bristol SU will, as far as is practical, keep current and deposit cash funds spread across a range of bank accounts to maximise our coverage by the FSCS guarantee, whereby the first £120,000 is guaranteed to be returned in case the bank holding it becomes insolvent.

Credit rating

- 2.6 Any deposits above the FSCS guarantee (£120k) should be held in with banks rated Baa1-Baa3 and above by Moody's, BBB- and above by S&P, or BB+ and above by Finch.

Investments under Professional Management

- 2.7 Our appointed Investment Manager will manage our other investments, currently in two portfolios:
- a) Bespoke discretionary investment portfolio - prioritising non-cash assets, such as stocks and shares, investments in unit trusts, and bonds. These will be a mixture of low and medium risk investments, with a return profile of 3-5 years.
 - b) Bespoke discretionary liquidity portfolio - a mix of short dated gilts, 1m, 3m and 6m UK Government Treasury bills and high-quality corporate bonds.

3 Investment Manager

- 3.1 Bristol SU Trustees will appoint an FCA authorised and regulated Investment Manager to manage its non-cash investments, following a formal tender process.
- 3.2 The appointment will be reviewed at least every 5 years.

4 Ethical Investment Criteria

- 4.1 Bristol SU will invest ethically; consistently with its values and the interests of its membership.
- 4.2 Our Investment Manager must follow these criteria when managing our investments. We expect that this will be possible without compromising our risk or return aims. If there a conflict, the Investment Manager must bring it to Bristol SU's attention along with their advice as to the best way to resolve the conflict.
- 4.3 When investing cash in short term deposits or choosing current/savings accounts, Bristol SU staff will avoid using the least ethical banks and prioritise using the more ethical banks, so long as they also meet the credit rating criteria from Appendix 1. To make this judgement Bristol SU staff will rely on readily available information and analysis from third parties.

Exclusionary Investment Criteria

Investments excluded due Student Democratic Policy

- 4.4 Bristol SU is an organisation that is democratically led by students and takes direction and is informed by student democratic policy passed at our Student Council and Annual Members Meetings. This prescribes our actions and decisions and will supersede any existing policy in place as necessary. We will not invest directly in entities that generate in aggregate more than 5% of their turnover from sectors or operations which student policy has stated they are opposed to us working with, (as stated in our External Organisations Policy). These are:
- Arms traders
 - Fossil fuel companies
 - Border industry organisations
 - Companies selling AI generated art.

Investments excluded on the basis that they are incompatible with our aims and values

- 4.5 Necessarily, there are certain organisations and businesses that we will not invest with, as we believe they are not in the best interest of our students and do not align with our vision, mission and values, (as stated in our External Organisations Policy). The list includes but is not limited to entities that generate in aggregate more than 5% of their turnover from:
- Tobacco or nicotine
 - Casinos and gambling
 - Pay day lending
 - Essay proofreading, checking and writing
 - Businesses where they test on animals for non-medical purposes

Investments excluded on the basis of risk/volatility

- 4.6 Bristol SU will not use or invest in crypto-assets due to their volatility, as set out in our Crypto-assets policy.

Positive Ethical Investing

- 4.7 To the extent that it is compatible with the risk and return aims of our investments, it is our preference that Bristol SU funds be invested in sectors and organisations that make a positive contribution to society in accordance with our values of:

- Equality, diversity, and inclusion
- Wellbeing
- Community
- Sustainability
- Joy, humour, positivity – fun!

4.8 We rely on our professional investment managers to advise as to the appropriate proportion of our investments to invest positively, whilst maintaining our preferred risk and return profile.

5 Delegated responsibilities

Trustees

5.1 The Trustees are responsible for safeguarding the charity's money and assets, and also for ensuring that the assets of the charity are used effectively for its charitable purposes. As such, they must:

- Set an appropriate Investment Policy,
- Include in the Investment Policy the ethical criteria which best represent the interests of the Bristol SU's members and values (rather than their personal views),
- Agree the appointment of Bristol SU's Investment Manager,
- Receive and review the Investment Manager's reports to the Finance, Audit, Risk and Governance Committee (FARG) and monitor their performance against the targets agreed in Appendix 1.
- Get such advice as they feel they need on Bristol SU's investment policy or position.

Investment Manager

5.2 Bristol SU's Investment Manager is responsible for:

- a) Managing the funds Bristol SU places with them to the best of their professional ability, according to this investment policy and Appendix 1.
- b) Advising Bristol SU's Trustees and Senior Management Team on appropriate risk and return profiles for its investments, asset mixes, effective ethical investing and other aspects of investment policy.
- c) Researching the companies, institutions and pooled funds where it invests Bristol SU's funds to ensure that the ethical requirements of this policy are met.

5.3 The Investment Manager will report to the Finance, Audit, Risk and Governance Committee (FARG), on the performance, strategy, risk profile and ethical profile of the investments they manage for us.

5.4 They will prepare an annual report for our members to be published on our website, (see the reporting section below).

5.5 They will:

- a) follow the investment directions of the Directors of Finance in accordance with the Investment Policy
- b) Provide investment return figures for the Finance Team.

Chief Executive Officer (CEO)

5.6 Overall responsibility for ensuring that best use is made of the charity's funds is delegated to the CEO. These responsibilities include:

- a) Making sure that Bristol SU's Investment Policy is appropriate in terms of risk level etc.
- b) Reviewing the return on our investments and the overall effectiveness of this policy.
- c) Ensuring that this policy is followed.

Directors of Finance (DF)

- 5.7 The management of the Charity's investments is delegated to the DFs, including:
- Leading the tender process to appoint Investment Managers
 - Managing our cash balances to ensure that we have sufficient cash to carry out our day-to-day operations
 - Managing our short-term cash deposits
 - Corresponding with the Investment Managers, for example, issuing instructions, answering questions etc.
 - Reviewing the performance of investments against the Investment Manager's instructions, and
 - Drafting Investment Policy and advising Trustees

6 How will we calculate and use the returns on investments (including interest income on bank accounts)

- 6.1 We will calculate and allocate the income return on cash type investments monthly, with the income apportioned based on the current asset funds balances in the management accounts, as this seems a balanced fair approach without excessive worktime spent calculating the relevant apportionment.
- a) Investment income from unrestricted reserves will contribute to Bristol SU's unrestricted income.
 - b) Investment income from grants which are yet to be spent will be treated as unrestricted income unless the grant funder specifies otherwise.
 - c) Investment income from invested student group funds will be used for providing grants or services to the student groups or activity hardship funds to group members.
 - d) Investment income from other restricted funds will be allocated to that restricted fund or to support the purposes of that fund.
- 6.2 Capital growth in investments will not be treated as income unless the gain has been realised into cash, at which point it will either be reinvested or used as above.

7 Reporting

- 7.1 This Investment Policy (with the exclusion of Appendix 1) will be published on Bristol SU's website.
- 7.2 An annual statement from the Investment Manager will also be published on the website, for scrutiny of members, covering the SU's ethical investment position, investment holdings and the performance of its investments, (omitting any sensitive information).
- 7.3 Information will be deemed "sensitive", if publishing it on the website is thought to increase the likelihood of Bristol SU being targeted for fraud.

8 Review

- 8.1 This policy will be reviewed by the Trustees annually.

This policy does not form part of any employee's contract of employment and it may be amended at any time. You will be notified of any changes to this policy by the relevant staff member and the most up to date version will always be on the intranet.