Finance Committee Financial Investments Sub-Committee (FCFISC)

Purpose

The FCFISC is an advisory committee of the Finance Committee and provides oversight of the University's financial assets and liabilities (including pensions). In this context, financial assets are defined as all those that generate income and are not used for teaching or research; financial liabilities are defined as largely comprising interest bearing debt and pension. (See appendix 1)

Scope and Duties

The Committee's objective is to monitor the University's portfolio of financial assets and liabilities (including technical aspects of financial investments), to identify risks and opportunities and to make specific recommendations to the Finance Committee. The FCFISC needs to understand the various operating entities (such as Press and Assessment and the Cambridge University Endowment Fund (CUEF)). However, it will not have any role in the governance of these entities.

The FCFISC reports to the Finance Committee and advises the Finance Committee and the Council (as appropriate) in relation to:

- Key financial concentration risks / exposures;
- Assumptions to be used in the financial projections;
- The ongoing performance of the CUEF;
- The ongoing use of bond proceeds and the need for the establishment of any dedicated 'sinking fund' for bond repayment;
- Market parameters for investment returns for use of bond proceeds;
- Proposals for new financial investments outside existing structures and authorities (e.g. new impact investment outside CUEF and CE);
- Proposals for any restrictions asked of fund managers
- Proposals for any new material new debt or liability management (swapping old bonds for new ones)

Authority

The FCFISC will advise the Finance Committee on matters including:

- Cash management strategy
- Any action of the operating activities CUP, Cambridge Assessment. Property Entity, Cambridge Enterprise and Cambridge Innovation Capital that require Finance Committee approval

The FCFISC will also undertake any such action as directed by the Finance Committee.

Membership and appointing bodies

The FCFISC is an expert committee which brings together external and internal expertise on financial investments. All members including the chair are appointed by the Finance Committee. The FCFISC is chaired by an external member of the Finance Committee in class (c) or (f) with appropriate expertise in financial investments. The membership of the Committee comprises:

1. The Chair (external member of the Finance Committee in class (c) or (f) with appropriate expertise in financial investments)
2. A member of the Regent House with appropriate expertise in financial investments
3. A member in class (b) of the Finance Committee
4. An external member who is not a member of the Finance Committee
5. Up to two co-opted members with specialist expertise as required.

The following individuals are in attendance:
1. Chief Financial Officer
2. Director of Finance
3. Head of Investment Appraisal
4. ESG Officer
5. Head of Group Treasury

The Secretary is the Head of Group Treasury. Members of the Committee are appointed for four years.

Quorum

No business may be transacted unless at least four members (including the chair) are in attendance. If a decision is the subject of a vote and there is an equality of votes cast, the Chair shall be entitled to give a second or casting vote.

Appendix 1

Assets include:

- Cash and money market investments
- CUEF holdings
- CE and Seed funds
- Holding in CIC
- Any other funds (e.g. any new environmental impact fund)
- Property Entity
- Other material commercial / brand licencing activities
- Cambridge Assessment
- Cambridge University Press
- Assets in single employer pension funds (CUAPS and CUP schemes)
- Estimated pro-rata share of USS Assets

Liabilities include:

- Bond liabilities
- Any other interest bearing liabilities
- Any material contingent liabilities / guarantees
- Capital commitments
- Single Employer pension fund liabilities
- Estimated pro-rata share of USS liabilities.