

The Endowment Fund

The Peterhouse endowment fund's objective is to generate a sustainable, predictable and growing income stream to support the College's core purpose of education, religion, learning and research. The endowment is managed in a prudent and transparent way and the College seeks to preserve the value of the fund in real terms over time.

The Governing Body of the College is ultimately responsible for the College's investments and its investment policy. The oversight of the fund is delegated to the Estates & Investments Committee and the Senior Bursar is the College Officer responsible for the day-to-day management activities associated with the College's investments. The Estates and Investment Committee and Senior Bursar take advice from appropriately qualified investment professionals where appropriate.

The Statement of Investment Principles sets out the background, purpose and investment objectives of the Peterhouse Endowment Fund in more detail and a copy of this is available on request from the College Office.

The structure and composition of the Endowment is designed to support the principles of transparency and accountability. The College actively seeks to avoid unnecessary complexity within the underlying exposures.

Leverage is used in a very limited and strictly controlled way.

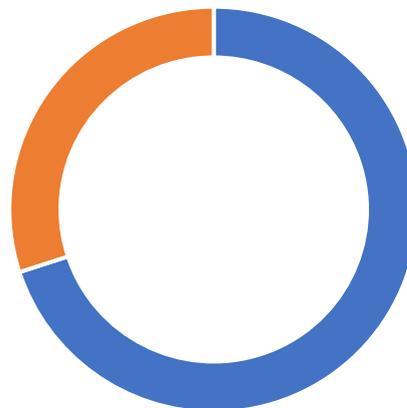
More detailed financial information about the College's endowment is available in the annual report and accounts: <https://www.pet.cam.ac.uk/accounts>

As at 30th June 2021, the total value of the Endowment's assets was circa £264m and associated debt was less than £26m (ie less than 10%). All the debt was fixed-rate and of long-term duration.

Asset Allocation at 30th June 2021

Asset Allocation

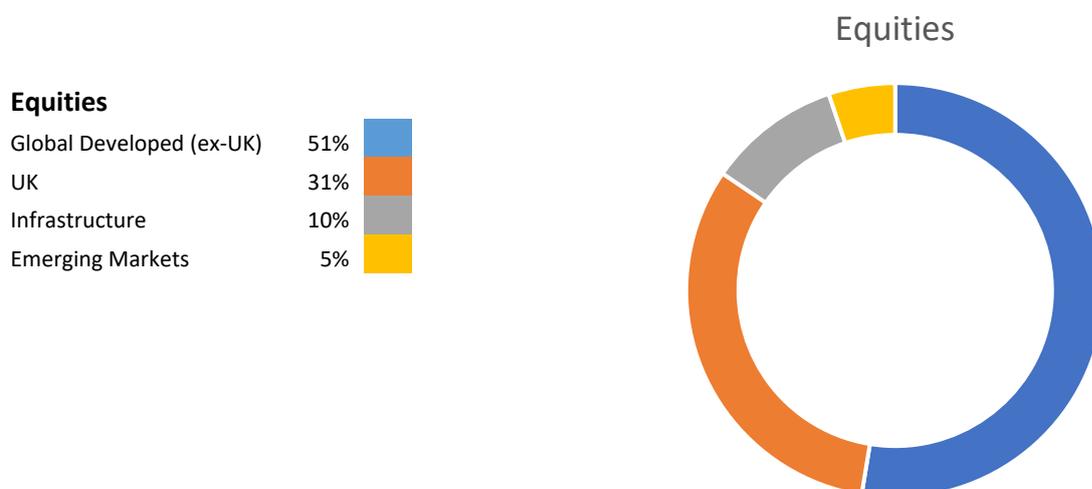
Property	70%	
Global Equities	30%	



The largest asset class is Property representing 70% of the Fund. This is diversified across various property types including Residential, Commercial, Ground Leases and Agricultural land, and across several geographical locations in the UK, but with notable concentrations in the Cambridge region and in London. The property portfolio includes a cluster of assets on and around the Peterhouse Technology Park on Fulbourn Road, and a cluster of residential properties in central London. The College only spends the natural income generated from property rents and any realized capital gains on directly held properties are re-invested into the endowment.



The remaining 30% of the endowment portfolio is invested in global equity markets, mainly in investment trusts and other pooled funds but with a small number of direct equity holdings. On a look-through basis, there is a significant relative overweight to the UK which represents around 31% of the equities portfolio, with other developed markets at 51%. There is also a significant portfolio of holdings in listed infrastructure funds.



The equity portfolio is highly diversified and has a significant number of holdings in small to medium sized companies with a view to their longer-term growth potential.

The College takes a total return approach to its equity portfolio, although it invests to ensure that the underlying investments still generate a good level of natural income and so the majority of the draw from the portfolio each year is expected to be generated by natural dividend income, with the balance coming from capital gains.

The College has given serious consideration to its sustainability commitments and how that is best applied and implemented in our direct and indirect investments.

Measures have been taken to increase energy efficiency ratings across our directly held properties and gradually move to decarbonized heating systems wherever a suitable opportunity to do so has arisen.

Investment activity in marketable securities has incorporated Environment, Social and Governance (ESG) principles into the selection of funds and direct equity investments.

As part of its ESG commitment, the College has divested from all direct holdings in fossil fuel extraction companies and actively monitors the holdings of its funds (indirect investments) to identify and eliminate any meaningful underlying exposure to this sector. The College takes a similar approach to companies that operate in the tobacco, gambling or pornography industries.

Peterhouse aspires to operate its endowment in line with the principle of net zero greenhouse gas emissions by 2038.