



UNIVERSITY OF
CAMBRIDGE

Investment Management

Cambridge University Endowment Fund

Annual Review 2023

Serving the **University, Colleges**
and **Trusts** with world-class,
sustainable investment management



The Cambridge University Endowment Fund



↑ Senate House

Founded in 2008, the Cambridge University Endowment Fund (“CUEF”) supports the University by funding over 1,000 projects and programmes, including scholarships, bursaries, teaching and research into some of the most critical societal issues, such as life sciences, conservation, climate change and technology.

The value of the Fund is £4 billion and open only to organisations associated with the University of Cambridge. Investors include Cambridge University, 15 Colleges and four associated Trusts. Over the last 10 years, the Fund has distributed over £1.1 billion to these investors.

The CUEF is a dedicated, specialist vehicle, designed to combine long-term capital appreciation and reliable cash distributions for the University, Colleges and Trust investors.

The Endowment Fund is managed by University of Cambridge Investment Management Limited (“UCIM”), a wholly owned subsidiary of the University.

UCIM has a single, dedicated team focused on optimising performance and stewarding CUEF investors’ capital over the long-term. The team is fully aligned with the University’s sustainability objectives; working with University stakeholders and partners to achieve the ambition for the CUEF to be net zero of greenhouse gas emissions by 2038.

Throughout this Review the Cambridge University Endowment Fund is referred to as “CUEF”, “The Endowment”, “The Endowment Fund” or “The Fund”.

In relation to the information throughout this Annual Review: financial data has been extracted from the Fund’s audited financial statements; returns data is stated on a net basis; and past performance is not indicative of future results.

For more information go to www.ucim.co.uk.

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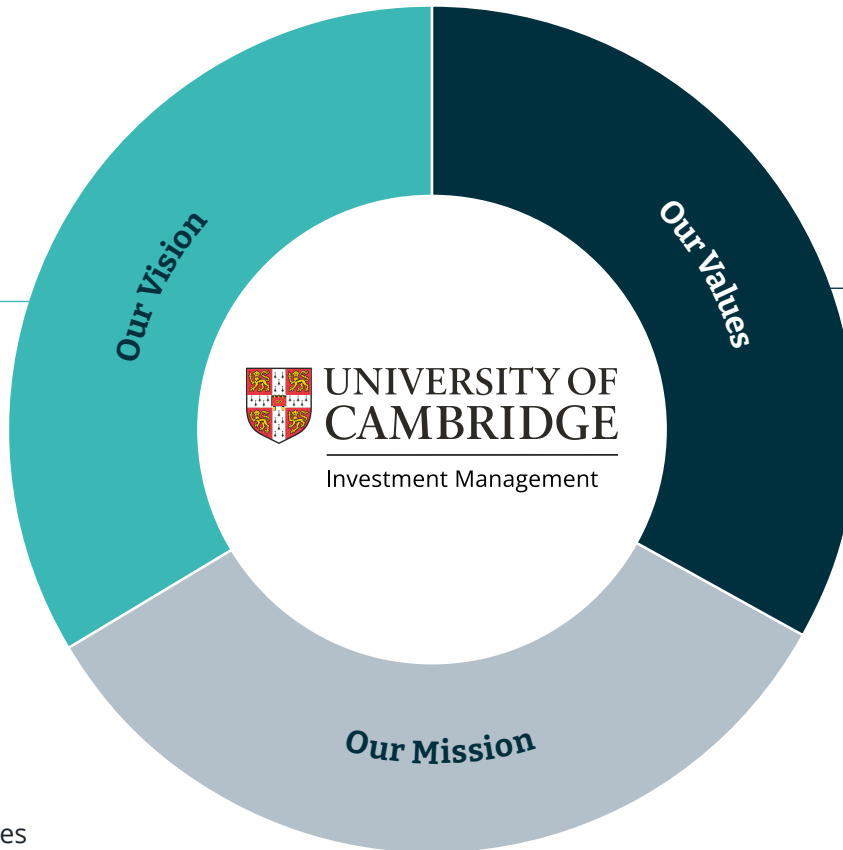


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Mission, Vision and Values

By 2030, the Cambridge University Endowment Fund will be synonymous with a pioneering model of endowment management, which is sustainable equally for the portfolio, its investors, the planet, and the team.



To serve the University, Colleges and Trusts by delivering world-class, sustainable investment performance.

Integrity

We always do the right thing, even when it is the hard thing. We put the interests of our investors ahead of our own.

Accountability

We only succeed individually if the team succeeds. We are committed to supporting one another and taking responsibility for our work, in service of our investors.

Collaboration

We respect, include and inform each other. We listen to learn, recognising that our diversity of backgrounds, skills and perspectives forms an essential foundation to our work.

Intellectual Honesty

We make decisions based on facts. We actively seek out and interrogate alternative and conflicting opinions before making up our minds.

Sustainability

We take actions and make decisions for the long term, taking into account their impact on the human and physical environment. We ensure that the success of our team, portfolio and Stakeholders is consistent with the mission and core values of the University.

Excellence

We always work to the best of our ability. We recognise that our reputation among our Stakeholders and the outside world is dependent on the quality of our work, as much as on our results.

2023 Financial Highlights

Year to 30th June 2023

Net return for financial year to 30th June 2023 (2022)

4.1%
30th June 2023

(0.3)%
30th June 2022

Annualised net returns over last 10 years

9.3%
30th June 2023

10.8%
30th June 2022

Unit value

£67.59
30th June 2023

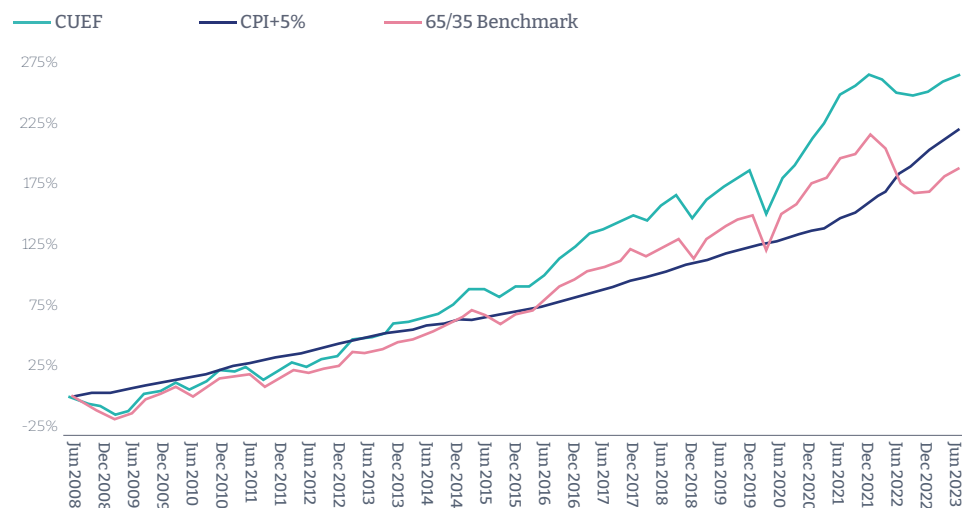
£67.45
30th June 2022

Fund net asset value

£4.0 bn
30th June 2023

£3.8 bn
30th June 2022

Total Portfolio Cumulative Net Returns Since June 2008 (%)



The '65/35 Benchmark' consists of: 33% MSCI World Index (GBP Unhedged) – ex fossil fuels after 1st July 2020, 24% MSCI World Index (GBP Hedged) – ex fossil fuels after 1st July 2020, 8% MSCI Emerging Markets Index (GBP Unhedged) – ex fossil fuels after 1st July 2020, 15% Bloomberg Global Aggregate Bond Index (GBP Hedged), 10% FTSE British Government Index-Linked All Stocks (GBP), 10% MSCI UK Quarterly Property Index (GBP).

Returns data stated on a net basis.

CPI +5% – the UK Consumer Prices Index as a measure of inflation, data from the Office for National Statistics (ONS).

Past performance is not indicative of future results.

Source: UCIM, Bloomberg.

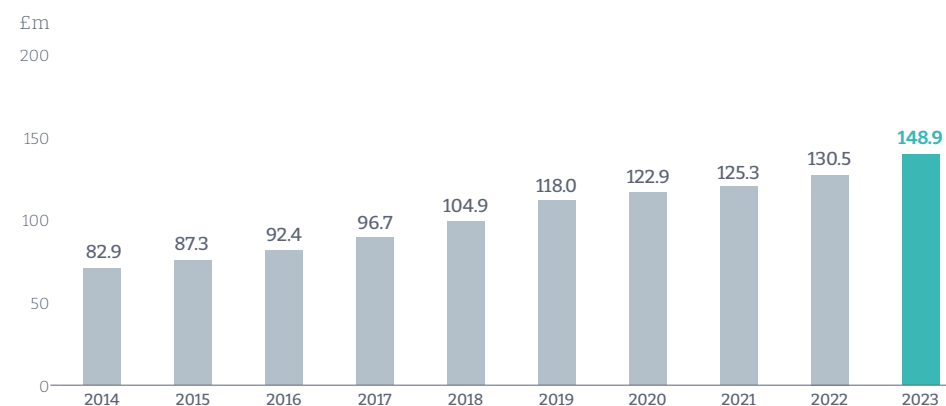
Total Income Distributed

£1.1 billion

Distributed over last 10 years

£148.9 million

Distributed in last 12 months



Source: Data sourced from CUEF audited financial statements.

CEO and Chief Investment Officer's Letter

It is a little over three years since a new team began managing the Cambridge University Endowment Fund. At that time, we established four key focus areas in support of our objective of serving the University, Colleges and Trusts with world-class, sustainable, investment performance:

- 1. People:** Recruit an exceptional team across both investment and operations functions;
- 2. Portfolio:** Refresh the portfolio construction and asset allocation, to meet the long-term requirements of our investors;
- 3. Operations:** High-grade the systems, processes and reporting required to support the organisation;
- 4. Sustainability:** Implement a comprehensive sustainable investment strategy and increase engagement with stakeholders across the University on our ambitions and progress.

The conclusion of our third full financial year as an organisation represents a natural point to assess the substantial progress achieved against these objectives.

An Exceptional Team

The UCIM team of 18 dedicated, highly professional individuals, is now fully built-out. The team comprises experienced, senior leads for each of the CUEF's investment asset classes, talented investment analysts and an excellent operations function. Everyone makes a notable and valued contribution to the organisation and their hard work is hugely appreciated.

UCIM is overseen and supported by an enhanced governance structure, representing decades of investment experience. Regulatory oversight is provided by the UCIM Board, chaired by Alan Brown, formerly CIO of Schroders Investment Management.

The Investment Advisory Board, chaired by Sarah Fromson, formerly Head of Investment Risk at Wellcome Trust, provides insight and challenge on investment strategy and the CUEF portfolio. This year its membership has been enhanced by the addition of Andrew Golden, President of Princeton University Investment Company and James Garman, Global Head of Real Estate, Goldman Sachs Asset and Wealth Management.

During the past year, the Cambridge University Endowment Trustee Body ("CUETB") was established to represent the Fund's Unitholders. Chaired by Mark Lewisohn, who has over 30 years of experience with UBS, the CUETB has already been active, approving an updated set of Responsible Investment Principles for the CUEF.

A High-Conviction Portfolio

Over the last three years, the CUEF has partnered with what UCIM believes are some of the world's leading, specialist fund managers, and made steady progress in reshaping the portfolio to meet its long-term investment objectives. There are now 66 active fund manager relationships in the portfolio, each with a differentiated ability to generate strong, sustainable performance for the CUEF. We are grateful to our partners for their insight and hard work throughout the challenging market conditions of the past year.

UCIM's strategy of increasing the CUEF's allocation to private equity and absolute return (a sub-set of the hedge fund universe) has been a key driver of returns through this period. On an annualised basis for the three years ended 30th June 2023, the CUEF has delivered a return of +8.8%, +4.0% per year ahead of our passive "65/35" benchmark*, with strong returns across all asset classes.

For the 12-month Financial Year ended 30th June 2023, returns were +4.1%, in line with the same "65/35" passive benchmark (+4.5%), a solid performance, especially in light of a higher inflation environment and resulting increases in interest rates.

* 65/35 Benchmark Composition as defined on page 4 of this report.



As we continue to work towards our net zero ambition, we feel increasingly confident that the achievement of our sustainability and financial goals are well-aligned.

CEO and Chief Investment Officer's Letter continued

Operational Excellence

UCIM's systems have been substantially upgraded to support the efficient management of the organisation and portfolio. These upgrades include the implementation of a new portfolio management and performance reporting system, as well as an internal information management system.

UCIM's Operations team, led by COO Karen Whinney, have worked tirelessly to embed these systems. A robust compliance culture has been embedded, alongside a comprehensive risk management framework. We have also continued to build upon our excellent relationship with the University's Finance and Treasury team, who provide invaluable support across several key operational functions.

A Sustainable Investment Strategy

It has also been just over three years since the announcement of UCIM's Sustainable Investment Strategy, including an ambition for the Endowment Fund to achieve net zero greenhouse gas emissions from its portfolio by 2038. This date has been set based on the University's timetable to decarbonise its broader operations.

As we continue to work towards this ambition, we feel increasingly confident that the achievement of our sustainability and financial goals are well-aligned. It makes sense that, if society succeeds in making the transition to net zero, over time investments that are consistent with the transition are likely to become more valuable than those that are not.

Pursuing this ambition requires us to actively engage with our fund manager partners. As a result of this work, an increasing number are measuring, reporting and acting to reduce their greenhouse emissions; we're hugely grateful to them for all their hard work in this area.

Since 2020, we have also stepped up efforts to engage with stakeholders across the University, to improve their understanding of the Fund, how it invests and the integral role it plays in providing a reliable source of income for the University, Colleges and Trusts. Outreach this year included the annual "Town Hall", meeting with student Green Officers, and more interaction with a number of departments across the University.

Outlook

Despite the challenging economic and market environment, I have a high level of confidence in the UCIM team. It is a privilege to serve our investors as stewards of the Endowment, working towards achieving our long-term returns objective, and we are thankful for the trust they have placed in UCIM. We look forward to continuing to earn this trust as we continue to develop our organisation, refine the Endowment's portfolio and pursue our ambition of a net zero portfolio.



Tilly Franklin

CEO and Chief Investment Officer

Progress Over Last Three Years

Team

- ✓ Fully built out team; strong culture of support and collaboration
- ✓ Shared understanding and commitment to UCIM Mission, Vision and Values
- ✓ High level of staff satisfaction

Portfolio

- ✓ Steady progress towards long-term asset allocation
- ✓ 66 core managers with high conviction in portfolio
- ✓ High level of engagement with fund managers on sustainability issues

Operations

- ✓ Performance and exposure reporting system fully integrated and automated
- ✓ Robust compliance culture embedded, alongside a comprehensive risk management framework
- ✓ UCIM measuring its own carbon emissions; achieved Silver in Green Impact Awards

Stakeholder Engagement

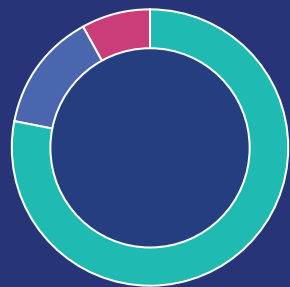
- ✓ Increased interaction across University
- ✓ New UCIM website to support improved understanding of organisation and impact
- ✓ Sustainability strategy now widely understood and accepted internally and externally

Impact in Numbers

During the year £149.8 million was distributed to the organisations that invest with the CUEF.

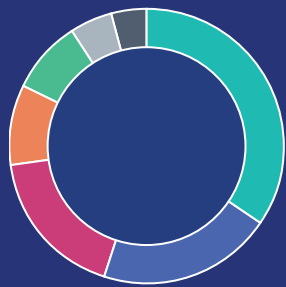
Over the last ten years the CUEF has distributed over £1.1 billion to support access to further education, teaching, research and a host of other programmes that have made a notable contribution to life at the University.

CUEF Distribution Allocation



University	78.3%
External trusts	13.8%
Colleges	7.9%

University Allocation of CUEF Distribution*



Teaching and research	27.1%
Professorships	16.0%
Departments	14.0%
Lectureships	7.3%
Scholar/Studentships	6.8%
Charitable trading reserves	3.9%
Other	3.2%

* Represents the 78.3% distributed to the University.



↑ Cavendish Laboratory

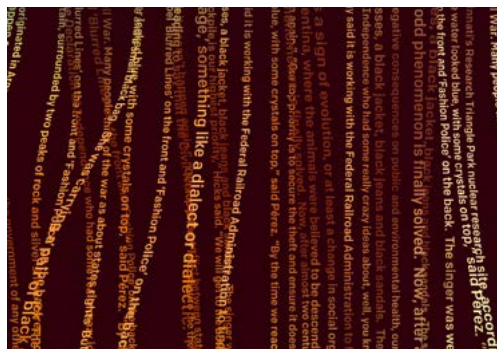
The Gates Cambridge Scholarship Program

The Gates Trust was founded with an endowment of \$210million from the Bill and Melinda Gates Foundation in 2000.

The Trust is entirely reliant on the income from and long-term growth of its investments and continues to use the Cambridge University Endowment Fund as its primary investment vehicle.

The Gates Cambridge Scholarship program enables outstanding students from outside the United Kingdom to pursue full-time graduate studies in any subject at the University of Cambridge.

There are currently 279 Gates scholars studying in Cambridge – the Trust has awarded a total of 2,080 scholarships to 2,156 scholars from 112 countries.



↑ Building AI language models

My undergraduate studies at Stanford in management science and engineering afforded me freedom to diversify my coursework. As I explored various subjects, I found myself naturally drawn to computer science courses, where I discovered a passion for utilising my engineering skills to construct models of the world. Staying on for a Masters degree, I was lucky enough to work with Stanford's renowned Professor, Dan Jurafsky, on a project building deep learning models to automatically detect and remove bias in news articles. I was fascinated by the profound questions that arose, both philosophically and technically. Is it possible to completely remove bias? When building learning models, what are you trying to change in the world? What are the right questions to ask when training and testing AI? After leaving Stanford, I worked as an Applied Research Scientist at Amazon Alexa, focusing on language modelling research.

Last year I joined a team of PhD students and Professors from Cambridge and Amsterdam to enter a large international competition, the Baby LM challenge. Contestants competed to train an AI model from scratch with the same amount of data that a human child would see up to the age of 13. Typical AI models usually require 10,000-100,000 times more data than humans before they can comprehend human languages. By constructing a specialised neural network architecture and curating the data we presented to our model, our team was one of the best performing groups from over 100 submissions and our paper has since won an award at the SIGNLL Conference on Computational Natural Language Learning. Our work proved that it is possible to train smaller models to be smarter and better, using less data, less energy and fewer machines.

The recent buzz around Chat GPT and other tools, has raised the profile of AI (even my parents use it to write little poems). I see huge scope for growth over the next few years, especially in the areas of legislation, politics and medicine because machines are very fast at absorbing vast quantities of information, compressing and outputting it in a useful way. Personal assistants are becoming smarter all the time and will soon become a big part of everyday life. There's high level of interest and funding for both the big players and the start-ups in AI. It's a fortuitous time to be working in this field.



Richard Diehl Martinez
PhD Computer Science (2021)

“The Gates scholarship has given me the chance to develop my research skills at a university which has outstanding computational resources, and lots of opportunity for interdisciplinary collaboration.

For further information:
<https://www.gatescambridge.org/>

Harding Distinguished Postgraduate Scholarship

Established in 2019, thanks to a generous donation from the David and Claudia Harding Foundation.

167 scholarships have been awarded in total across 46 countries and 63 subjects.

49 scholarships were awarded in the 2023-24 academic year.

My research uses new remote sensing and computer vision techniques to better understand forest ecosystems. Until recently, satellites could only view rainforests from above, which gave us limited information in dense, tropical environments. We were able to see large-scale deforestation, but we couldn't measure the smaller losses, and the impact of disturbances on the carbon cycle remained poorly understood.

Recent advances using optical and radar remote sensing have improved detection of small-scale disturbances, but quantifying changes in forest structure and biomass associated with these disturbances has proven challenging. The Global Ecosystem Dynamics Investigation (GEDI) spaceborne Light Detection and Ranging sensing method ("LiDAR") allows us to see below the canopy to measure carbon stocks, leaf area, and understory structure. This data gives us a greater understanding of disturbances and degradations in the forest,

for example small losses due to drought, fires, or selective logging.

My academic interests moved from pure math towards computer science, but for a long time I wasn't sure how best to apply these skills to address the societal issues I cared about. I worked for a small non-profit company, then for Google, but it was only while studying for my Master's degree that I realised the part I could play in environmental work. My wonderful supervisor, Srinivasan Keshav, encouraged me to pursue research in this area. It was a big shift in my thinking, and a scary transition to change fields and suddenly know nothing.

The Harding scholarship made it possible for me to transition from wage-earner to researcher, and to contribute to an area that I'm passionate about. I feel lucky to belong to two lab groups in Cambridge (computer science and plant science). I applied to Cambridge for my PhD because it is one of the only universities where a significant number of computer scientists

are working on environmental projects, and I feel like I've found my place now, using my background in math and computer science to help address tropical forest degradation.

Historically, humans have long used rainforest resources, and it can be done sustainably. But there has been a shift towards the large-scale exploitation of these resources that has a serious impact on biodiversity and carbon emissions, even when it stops short of full deforestation. Meanwhile, quantifying the scale and extent of this degradation and its resultant effects on forest health and carbon stocks has proved surprisingly difficult.

Crucially, national and international policies can only address forest degradation if we can measure it — and that's where my remote sensing research comes in. My work seeks to provide policymakers with new scientific evidence about what is happening at a regional and global scale. With this knowledge, I hope that we can limit the pressure we exert on these environments and help them recover.



↑ Amazonian rainforest



Amelia Holcomb,
PhD Computer Science (2021)

“ I applied to Cambridge for my PhD because it is one of the only universities where a significant number of computer scientists are working on environmental projects.

Herchel Smith Fund

Through gifts in his lifetime, his will and estate, Dr Herchel Smith has supported Professorships, Studentships and Fellowships across a range of disciplines at the University of Cambridge, including maths, science, medicine and law.

The total donations from the Herchel Smith Fund are endowed and invested in the CUEF.



↑ Galactic Archaeology with the oldest stars in the Milky Way

My research is in the field of Galactic Archaeology, looking at ancient stars and what they can teach us about the early formation and evolution of our home galaxy, the Milky Way. I have been interested in astronomy from childhood when my brother first showed me the constellations. It was during my undergraduate studies in astronomy that I became fascinated by stars, by their rules and properties, their mass, colour and brightness.

This Fellowship has put me at the forefront of research into the oldest stars in the galaxy, formed over 13 billion years ago. How many ancient stars are there? What are they made of? Do they move around with regular or random motion? My research team uses spectroscopic observations to derive the chemical and dynamical properties of stars, to help us locate the rarest, oldest ones. We have learnt that many ancient stars are found in the inner regions of the Milky Way, and they stay in the

centre rather than moving around through the galaxy. It is amazing to think that I could be the first person to learn something new about the universe – if pristine stars from the first generation do exist, I would love to be the first person to find one. The thought of making this type of discovery excites me, and I'm grateful for the endowed funding for making this a possibility.

Exciting innovations in Galactic Archaeology include new hardware that make it easier and more efficient to scan the sky, and new

techniques in machine learning which enable us to extract data from surveys more quickly and on a far larger scale. There are several important surveys of the sky planned over the next few years, and I'm looking forward to seeing the data.

Sometimes the nature of this work can feel abstract, but when I meet people on outreach visits to schools or at open evenings, they remind me what an interesting and fun subject this is.



Anke Ardern-Arentsen

Postdoctoral Research Fellow, Astronomy (2022)

“ One advantage of my Fellowship is the ability to connect and collaborate with so many different people in Cambridge who are involved in projects which drive progress in this field.

Jesus College

Jesus College is a community of around 1,000 people including undergraduates, postgraduates, Fellows and staff.

The College has invested with the CUEF since 2017, and currently invests over 40% of its total financial investment assets in the fund.

Total distributions from the College's Endowment represent 30-35% of its total annual income.



↑ Cambridge is famous for its small group teaching

Jesus College relies on endowment income, and it makes a real difference to every aspect of College life. It allows us to invest in our historic estate, including repairing the roof of our Grade 1 listed Chapel, extending the gym, and creating a multifaith room and an art room. It enables progress in sustainability through recycling stations, covered bike parking and increasing the biodiversity of our grounds and our land holdings. It also means we can deliver an exceptional student experience, with small group teaching and strong pedagogical care, thanks to our academics, tutorial staff and growing mental health team.

Approximately 400 students every year receive assistance from the College, mostly in the form of support grants for people who are struggling financially. Available at all stages of study, these grants are particularly useful for PhD candidates who can find

themselves running out of funding towards the end of their three years here. We also recently increased the provision of grants in response to higher living costs.

The Cambridge Bursary Scheme currently supports around 25% of all UK first-degree undergraduates and is jointly funded by the University and the Colleges, thanks to generous endowed donations. The scheme was designed to widen access for students from low-income backgrounds, and Jesus College recently extended the earnings threshold to include students from middle-income backgrounds. We have also increased bursaries for our clinical medicine and veterinary students, whose courses requires them to live in Cambridge for 11 to 12 months a year, much longer than other students. This academic year we awarded a total of 146 bursaries, a number that is predicted to rise every year in the future.

Our endowment provides a steady income and gives us financial confidence. This proved essential during the pandemic, when income from conferences, catering and student rents disappeared overnight.

We invest in the CUEF because of UCIM's strong team, its impressive performance record, and because our values are aligned. The largest part of our financial portfolio is fossil-free, and we share the CUEF's ambition to achieve net zero greenhouse gas emissions from the portfolio by 2038. The size of the CUEF gives us access to new investment opportunities, and we benefit from paying operating costs rather than fees. It has good governance and a robust investment selection process; it's reassuring to know that every investment is made with due diligence and care.



Richard Anthony
Bursar, Jesus College

“
Endowment income is crucial to the provision of financial support to our students.”

MPhil in Conservation Leadership

The MPhil in Conservation Leadership was founded following a donation of £2.5 million from the MAVA Foundation, fully invested in the CUEF.

Since 2010 the course has awarded qualifications to 220 people from 90 different countries.

A central component is the professional placement with a conservation organisation, enabling students to work on a specific conservation leadership project.

I grew up in the Bhadra-Kudremukh tiger landscape of the Western Ghats in India, a global biodiversity hotspot. While studying business management at university, I joined WildCAT-C, a local wildlife conservation group in my hometown of Chikkamagaluru. At age 18, I started volunteering in field programs to support nature education and scientific surveys in forests collecting data of wild animals. This laid a strong foundation for my understanding of conservation issues.

I continued this work while starting a career in finance at a bank and then at Wildlife Conservation Society-India, where I became Head of Finance and Administration at the age of 25. I later switched to fieldwork, working closely with WildCAT-C and the Forest Department on challenges including illegal wildlife trade and excessive tourism in ecologically sensitive areas, and

supporting communities living in remote forests. It was highly rewarding to witness the results of our work; one campaign saved a pristine forest habitat from the construction of a six-lane highway, another won local support for streamlined tourism operations.

At this point, I realised that I needed more academic training to develop my career. My family isn't particularly wealthy or academic and I wouldn't have considered studying in Cambridge had it not been for the MPhil in Conservation Leadership. I'm grateful to the MAVA Foundation for this opportunity and the funding provided through its investment in the CUEF, which pays for the course running costs. I am also deeply grateful to Robert Sansom for fully funding my scholarship, allowing me to attend the course and realise my lifelong goal.

As part of this MPhil, I wanted to find a professional placement that would build on my background in finance and grassroots conservation. I was fortunate to join Flora and Fauna, which led to a permanent role as a Programme Officer in Enterprise and Supply Chains. Our team leverages finance and market-based tools to tackle on-the-ground biodiversity challenges and generate income from eco-friendly business ventures to fund conservation in various countries. We back the growth of sustainable commodity markets like cocoa and coffee, ecotourism, community-driven conservation finance, and other creative solutions that provide equitable economic opportunities for forest-dependent

communities to reduce excessive resource extraction.

The MPhil transformed my professional confidence and my approach to making change happen in local communities. I learnt to understand the deep root causes of ecological and social problems before exploring long-term solutions. Studying at the David Attenborough Building in Cambridge provided a fantastic opportunity to understand how international organisations function. My classmates have an incredible range of backgrounds and experiences, and they have since become both friends and an invaluable professional network. My course mentor, an incredible conservation scientist and leader has also been a great support to me. The programme supports us long after graduation by funding alumni-led conservation projects and encouraging collaboration on global policy issues. It's a phenomenal platform for anyone interested in a conservation career and has cemented my desire to one day return to my hometown and work with my community to protect our tigers and elephants.



↑ Coffee beans growing in the forest



Mrunmayee Amarnath
MPhil in Conservation Leadership (2020)

“The MPhil transformed my professional confidence and my approach to making change happen in local communities.”

DeepMind Professor of Machine Learning

The DeepMind Professorship is funded by an endowed gift by technology company DeepMind to the University's Department of Computer Science and Technology in 2019.

It also funds four Masters students from underrepresented backgrounds.

A key part of my role has been to help set up AI@Cam as a flagship mission to drive a step-change in Cambridge's AI capabilities by harnessing the ideas, creativity, and research excellence of the University community to develop AI for the benefit of science, citizens, and society, while also addressing concerns about continuing and emergent digital divides.

One of our objectives is to connect expertise and insights from the University's AI community to wider society, helping deploy AI in the service of national policy goals. Accordingly, a major focus of my work over the past few years has been supporting the government as they assimilate the implications of machine learning technologies.

From 2019 to 2023, I served as a member of the AI Council, an independent expert committee that provided advice on AI policy and strategy to the government. In the past

year, the AI Council played a pivotal role in discussions about policy implications of advances in Large Language Models (LLMs), with the aim of supporting rapid government action to build national capability in Foundation Models.

We made submissions to the UK government's Minister for Science, Innovation and Technology, calling for coordinated action across government, industry and academia to develop an action plan for the UK to build an advantage in the development of LLMs.

We highlighted the ongoing measures for dealing with the challenges of AI, and prepared a briefing paper considering the policy implications of progress in Large Language Models.

Although new groups have superseded these bodies, I continue to leverage Cambridge's expertise and notable influence in both national and international discussions around AI and Machine Learning. I recently attended a House of Lords Communications and Digital Committee evidence session on LLMs, to talk about the big questions in understanding and regulating AI. In the UK, I have also been appointed to the Digital Competition Expert Panel advising the UK's Competition and Markets Authority on the market dynamics of AI Foundation Models. This has involved contributing to an initial review on unlocking digital competition.

I am fully committed to an "open science" research philosophy, international collaboration and sharing of ideas. Being part of the research community at Cambridge to advance understanding of AI has allowed me to further these objectives and represent the University globally in this field. I serve on the Canadian Institute for Advanced Research Scientific Advisory Committee and joined the Scientific Advisory Council for arXiv, the open access "pre-print" platform, representing its research community. I remain the founder and series editor of the journal *Proceedings of Machine Learning Research* ("PMLR") which is free, open access and publishes the majority of the leading machine learning conferences globally.

AI research is rapidly expanding and encompassing many other disciplines, requiring a high level of collaboration both across the University and with partners outside the sector.

For more information:
<https://www.cam.ac.uk/research/aicam>



Professor Neil Lawrence
DeepMind Professor of Machine Learning

“
I'm grateful for the endowed funding which allows me to continue working with partners on our shared mission to apply our combined knowledge and skills to serve science, citizens and society.

Investment Strategy and Financial Performance

To steward capital for the University, Colleges and Trusts for future generations, the CUEF has a very long-term investment horizon.



Investment Strategy



↑ Corpus Christi College

Investment Objective and Strategy

The long-term investment objective is for the Endowment Fund to achieve returns of 5% in excess of inflation (using the Consumer Price Index or “CPI” measure of inflation), and to fund distributions to investors of approximately 4% of the net asset value of the fund per year.

Consistent with the requirement to steward capital for the University, Colleges and Trusts for future generations, the CUEF has a very long-term investment horizon. UCIM strongly believes that financial and environment sustainability go hand-in-hand, seeking to build lasting partnerships with its investment partners to achieve both.

Within this strategy, the CUEF operates an “unconstrained”, global portfolio, allowing it to invest in any appropriate regions, sectors and asset classes. The Fund is diversified over five broad asset classes: Public Equity, Private Equity, Absolute Return and Credit, Real Assets, and Fixed Income/Cash.

Consequently, portfolio construction, asset allocation and manager selection form the key parts of UCIM’s day-to-day activity managing the CUEF, with the aim to provide long-term capital appreciation and a reliable cash distribution for investors.

To achieve its objectives, UCIM’s investment strategy is to invest through specialist, third-party fund managers to access asset classes and geographies that it believes will outperform passive investments over time. The CUEF has minimal direct investments in securities and usually only takes such positions in order to “rebalance” the portfolio in the short term.



For more information go to <https://www.ucim.co.uk/how-we-invest/how-we-invest>



↑ Downing College



UCIM strongly believes that financial and environment sustainability go hand-in-hand, seeking to build lasting partnerships with its investment partners to achieve both.

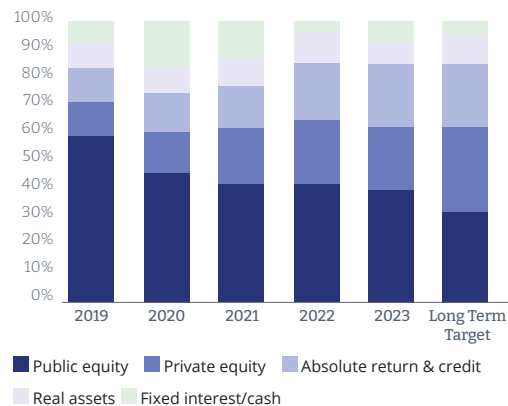
Asset Allocation

In 2019, UCIM set out an updated asset allocation strategy, advocating a measured reduction in public equity assets in favour of increased allocations to both private equity and absolute return and credit.

Private equity is viewed as a key driver of returns in the portfolio, whereas the absolute return and credit sub-portfolio is intended to reduce volatility and provide liquidity to the balance of the portfolio during market corrections.

The implementation of this strategy can be seen in the bar chart, which shows the development of the CUEF's asset allocation over the last five years, including the allocation as at the Financial Year end on 30th June 2023.

CUEF Asset Allocation 2019 - 2023



Amendments to Asset Allocation Targets

UCIM conducts a biennial exercise, evaluating its asset allocation strategy based on long-term forecasts for returns and correlations across asset classes. The most recent review took place in April 2023, resulting in recommendations to achieve greater forecast risk-adjusted returns by incrementally increasing the allocation to private equity compared to public equity; and by incrementally increasing the allocations to the CUEF's relatively uncorrelated absolute return and credit and real assets portfolios. The

recommendations were subsequently approved by the UCIM Board, reviewed by the Investment Advisory Board, and communicated to investors in July 2023.

These amendments are shown in the final column of the chart "CUEF Asset Allocation 2019 - 2023". UCIM began the process of moving the portfolio towards these new long-term targets at the end of Q4 of the 2022-23 Financial Year (quarter ended 30th June 2023), leading to the incremental changes in allocation as at 30th June 2023 reported here.



Portfolio construction, asset allocation and manager selection form the key parts of UCIM's day-to-day activity managing the CUEF, with the aim to provide long-term capital appreciation and a reliable cash distribution for investors.



↑ Faculty of Education

Asset Allocation continued

Asset Allocation Development in the Financial Year

In line with its adjusted asset allocation targets, UCIM began trimming back a number of the CUEF's larger public equity managers' holdings towards the end of the financial year, in order to marginally reduce the overall size of this part of the portfolio (from 42% of CUEF assets to just under 40%).

There were, however, small increases in allocations to public equity managers and sectors where UCIM has particularly high conviction.

UCIM also added capital to the more liquid constituents of its Absolute Return and Credit book (broadly pro-rata to existing size), increasing the allocation from 20% to just under 23% of total CUEF assets.

As at 30th June 2023, the CUEF's allocation to Real Assets was 7.1%, below both previous (10.0%) and new (10.0-12.5%) long-term asset allocation targets due to a number of asset sales taking place in the financial year. In the second half of the calendar year 2023, UCIM anticipates that this gap will close based on the pipeline of promising opportunities from managers across the asset class.

Across the 12 months to 30th June 2023, the UCIM investment team reviewed almost 600 potential opportunities with fund management partners. The screening, research, sourcing, meetings and due diligence which make up core parts of UCIM investment process, led to 18 new allocations: the majority to the Private Markets portion of the portfolio, in line with our asset allocation strategy.

Investment Team Activity

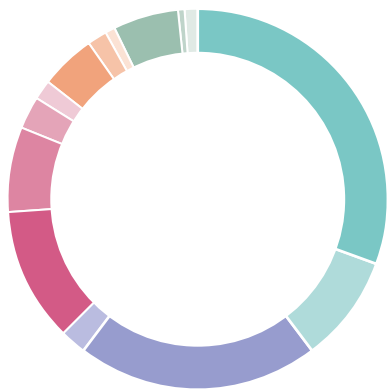
600

potential investment opportunities reviewed

18

new allocations to fund managers

Sub Asset Allocation as at 30th June 2023



Public Equity	
Developed Markets	30.8%
Emerging Markets	9.1%
Absolute Return & Credit	
Absolute Return	20.6%
Illiquid Credit	2.1%
Private Equity	
Buyout	11.5%
Growth	7.1%
Venture	2.9%
Other	1.7%

Real Assets	
Real Estate	4.7%
Conventional Energy ("Legacy")	1.6%
Renewable Energy	0.8%
Fixed Interest/Cash	
Cash	5.5%
Fixed Income	0.7%
FX Contracts	0.9%

Source: UCIM internal reporting



↑ Christ's College

Financial Performance

Following the sharp fall in the price of global equities in September 2022 due to the ongoing conflict in Ukraine, fears of recession, concerns over high inflation and the ensuing impact of rising interest rates globally, equity markets rallied strongly through the remainder of the CUEF's Financial Year to the end of June 2023.

Despite prevailing economic headwinds, market sentiment was supported by stabilisation in the UK following the turmoil of the "mini-budget" in Autumn 2022 and, globally, investors began to forecast a more benign economic environment.

In public equities, the rally was heavily skewed to a handful of the "mega cap" US technology stocks, in part due to investor exuberance around advances in Artificial Intelligence (the Nasdaq Composite Index, for example, increased +26.1% for the 12 months to 30th June 2023).

In private markets and real estate, higher interest rates had a more negative impact on valuations and sentiment, with concerns about the implications of increased borrowing costs on leverage and returns weighing on valuations.

Against this market backdrop, for the Financial Year 2022-23, the CUEF achieved a net return of +4.1% (2021-22 -0.3%), in-line with "65/35" benchmark (+4.5%), mainly due to the flat performance of the CUEF's private equity portfolio, despite the strong performance of this asset class over the long-term.

Over a three-year rolling period, the CUEF achieved an annualised net return of +8.8%, +4.0% higher than the "65/35" passive benchmark which annualised at +4.8%. Manager selection remains the predominant driver of this outperformance (adding +1.9% to annualised returns).

The CUEF's near term performance is below the long-term investment objective of CPI +5%, reflecting the challenge of meeting inflation-linked objectives for all fund managers in a period of high inflation. Looking at the longer term, the CUEF has achieved this objective on an annualised ten-year basis.

CUEF One, Three, Five and Ten-Year Performance vs Benchmarks

CUEF vs Benchmarks	Financial Year Jul 22 -Jun 23	Trailing 3 Financial Years: Jul 20 -Jun 23* (annualised)	Trailing 5 Financial Years: Jul 18 -Jun 23 (annualised)	Trailing 10 Financial Years: Jul 13 -Jun 23 (annualised)
CUEF	+4.1%	+8.8%	+7.0%	+9.3%
UK CPI +5%	+13.3%	+11.9%	+9.6%	+8.1%
"65/35" Benchmark**	+4.5%	+4.8%	+5.3%	+7.8%
MSCI ACWI ex. fossil fuels***	+11.8%	+9.8%****	+9.1%	+11.1%
FTSE All-Share	+7.9%	+10.0%	+3.1%	+5.9%

Data sources:

CPI data from the Office for National Statistics (ONS), CUEF returns calculated based on CUEF Net Asset Value, other data sourced from Bloomberg and UCIM internal reporting.

Notes:

- CUEF returns are net of fees. All index returns in Pounds Sterling unless stated.

* 1st July 2020 is the date at which various material changes to UCIM's general portfolio approach (and risk limits) were formally incepted by the UCIM Board.

** 65/35 Benchmark Composition as defined on page 4 of this report.

*** MCSI ACWI ex. fossil fuels data from 1st July 2020 onwards.

**** MCSI ACWI ex. fossil fuels benchmark trailing three years figure previously reported as 10.1%, subsequently updated and corrected to 9.8% (16th January 2024).

Past performance is not indicative of future returns.

Performance by Asset Class

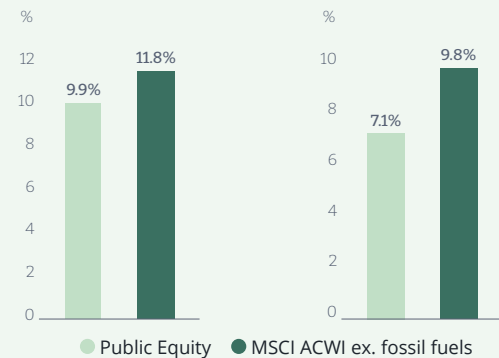
Public Equity

For the Financial Year 2022-23, the CUEF's public equity portfolio rose +9.9%. Within developed markets, the portfolio's primary contributors were a US specialist running a concentrated portfolio and a pan-European manager that invests with a "value" tilt. In emerging markets, relative performance was strong; the majority of the CUEF's fund managers outperformed their benchmarks.

Although strong in absolute terms, the portfolio's overall annual performance was 1.9% behind the MSCI ACWI ex fossil fuels (+11.8%); and on an annualised three-year trailing basis, the CUEF's public equity portfolio was 2.7% behind this benchmark. Relative underperformance was primarily driven by the public equity portfolio's overweight exposures to the United Kingdom and emerging markets, which both lagged the broader index over the three-year period. At current levels UCIM believes these markets are favourably priced.

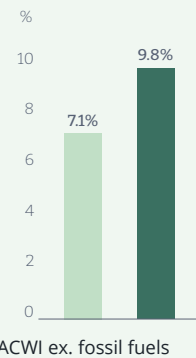
9.9%

Financial Year 22/23



7.1%

Three year annualised returns
1st July 2020 – 30th June 2023*

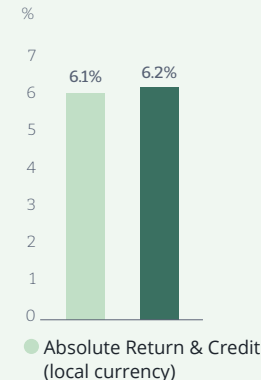


Absolute Return and Credit

The CUEF's Absolute Return and Credit portfolio is comprised primarily of hedge funds that are expected in aggregate to have low correlation to equity markets and other traditional risk assets. As at 30th June 2023, this portfolio consisted of 12 core manager positions. Eleven of these managers recorded positive returns in local currency for the financial year, each performing in line with expectations relative to our initial investment thesis. The largest contributor was a fund manager specialising in investing in the debt of companies undergoing restructuring. The only detractor was a position with a fund manager focused on volatility.

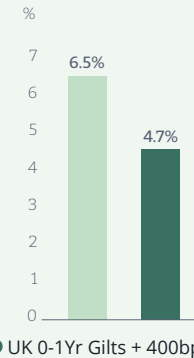
6.1%

Financial Year 22/23



6.5%

Three year annualised returns
1st July 2020 – 30th June 2023



↑ All Saints Church

Notes:

- Data sourced from Bloomberg and UCIM internal reporting.
- CUEF returns calculated based on CUEF Net Asset Value and are net of fees.
- Asset Class Returns are provided in GBP, except Absolute Return & Credit is provided in local currency.
- Past performance is not indicative of future returns.

* MSCI ACWI ex. fossil fuels benchmark trailing three years figure previously reported as 10.1%, subsequently updated and corrected to 9.8% (16th January 2024).

Performance by Asset Class continued

Private Equity

For the Financial Year 2022-23, the CUEF's private equity portfolio declined -0.7% in Sterling terms, approximately in line with the Cambridge Associates benchmark, at -1.3%.

Whilst the absolute and relative performance numbers through the Financial Year have acted as a drag on overall performance, this should be set in longer-term context. The CUEF private equity portfolio has returned +19.0% annualised over the past three years and has outperformed the Cambridge Associates benchmark return by 2.3% annually. UCIM continues to believe that private equity will be a key driver of CUEF returns over the long term.

Notable contributors were several mature mid-market buy-out managers, benefitting from exits or partial exits of their portfolio companies. In contrast, a secondaries specialist with exposure to mature venture capital and growth equity assets was marked down, along with managers exposed to China.

Given the wider challenges from higher borrowing costs facing private markets noted above, acquisition activity was relatively muted.

UCIM does not seek to invest in managers reliant on leverage to generate returns. Instead UCIM focuses on managers differentiated by sourcing models, market, sector and company insights, operational expertise, and strategic capabilities.

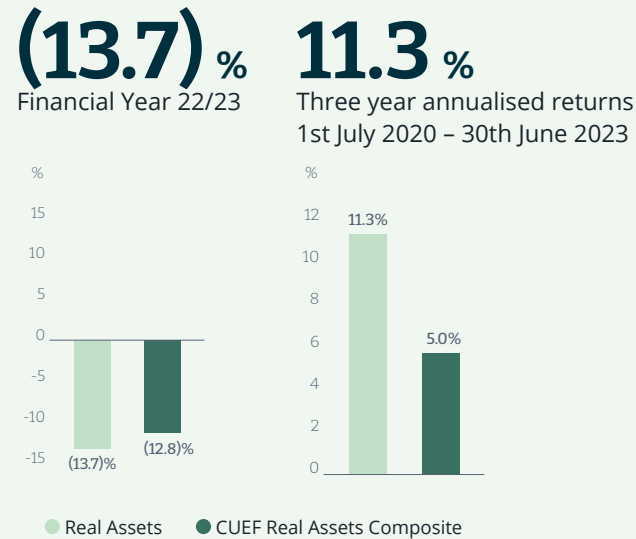


Real Assets

The CUEF's real assets portfolio recorded a decline of -13.7% in sterling terms, marginally behind its benchmark, which fell -12.8%.

The negative performance of real estate was primarily a function of continued rising interest rates, which impacted valuations of the CUEF's UK office buildings and industrial units. In addition, one natural resource manager had negative performance over the year as a result of the commodity cycle.

The CUEF's position with a European renewable energy manager generated positive returns for the year. Leasing activity and rents remain strong in the CUEF's real estate portfolio; an encouraging overall signal going forward.

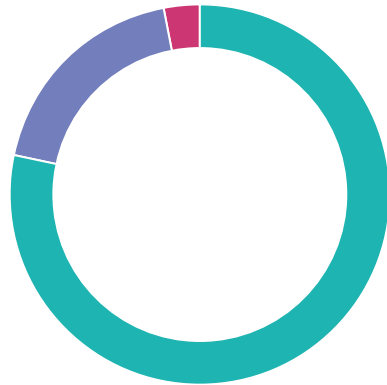


Notes:

- Data sourced from Bloomberg, Cambridge Associates and UCIM internal reporting.
- CUEF returns calculated based on CUEF Net Asset Value and are net of fees.
- Asset Class Returns are provided in GBP, except Absolute Return & Credit is provided in local currency.
- Private Equity and Real Assets Composite Benchmark returns remain subject to change as underlying illiquid indices are finalised.
- Past performance is not indicative of future returns.

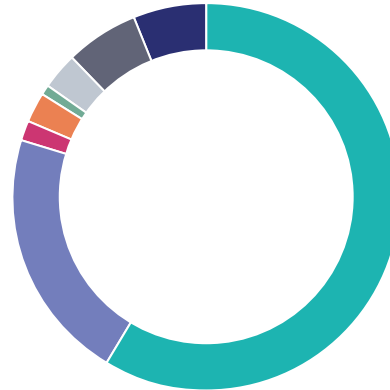
Portfolio Composition at 30th June 2023

Geographic Exposure (Equities)*



Developed markets	79.2%
Emerging Markets	18.7%
Cash & Other	2.1%

Currency Exposure



GBP	58.8%	CHF	0.7%
USD	21.1%	Other Developed Markets	3.2%
EUR	1.8%	RMB	6.0%
JPY	2.5%	Other Emerging Markets	5.9%

Sector Exposure



Information Technology	18.3%	Materials	2.6%
Industrials	11.0%	Utilities	2.1%
Consumer Discretionary	10.9%	Energy	2.2%
Healthcare	8.7%	Real Estate	7.6%
Financials	5.1%	Cash & Other	22.3%
Communication Service	4.6%		
Consumer Staples	4.6%		

Source: UCIM internal reporting.

* Geographic exposure is shown for the Public Equity and Private Equity parts of the portfolio only.

↓ The Møller Institute



Sustainable Investment

For the first time, this Sustainable Investment Report draws on the Task Force on Climate-related Financial Disclosures (“TCFD”) guidance, considered best practice for improving the standard of climate-related reporting; adapted to be most meaningful for CUEF stakeholders.



↑ Botanic Garden

Overview and Strategy

Overview

UCIM believes that climate change poses an existential threat to the planet and society. The Sustainable Investment Strategy is therefore focused on reducing greenhouse gas emissions from the CUEF portfolio and using our influence with partners to do the same in the wider economy.

UCIM is committed to working with the University, our community of investment partners and all stakeholders to achieve its ambition that the Endowment Fund will be “net zero” of greenhouse gas emissions by 2038.

UCIM strongly believes that there does not have to be a “trade-off” between positive environmental outcomes and financial returns. Following from this, UCIM also believes that performance and sustainable investment go hand in hand – companies making the transition to clean energy will be the ones that deliver value to investors, as well as society.

For UCIM’s business operations (Scope 1 and 2 emissions), sustainability activity is carried out by members of the Operations team, including for the first time, measurement of UCIM’s own greenhouse gas emissions and participation in the University’s Green Impact Awards.



Sustainable Investment Strategy

UCIM’s Sustainable Investment Strategy (above) was formulated in 2020 and announced by University Council in October that year.

Responsibility for implementation of the strategy and active engagement supporting partners to decarbonise their portfolios is shared across the investment team.



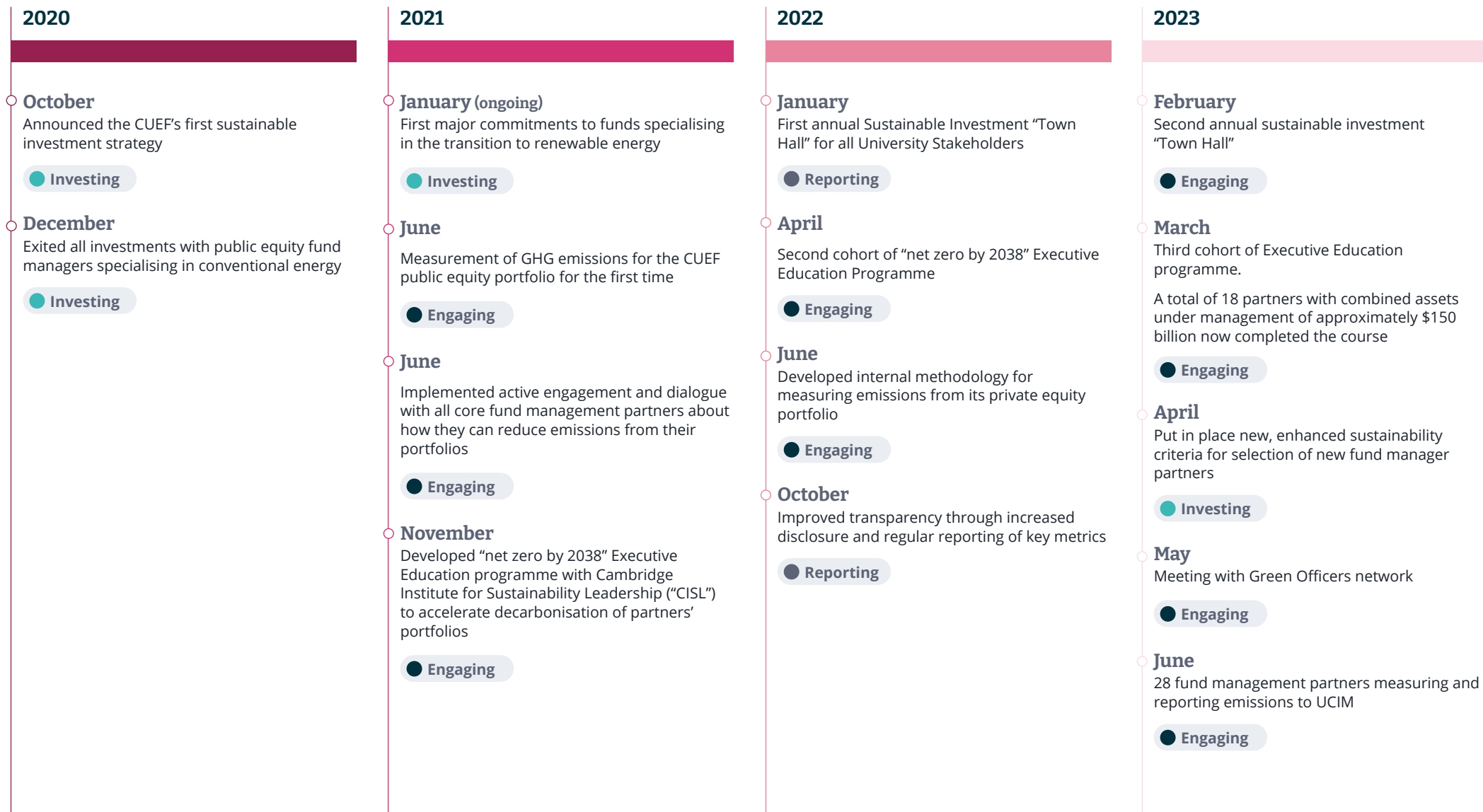
↑ Graduation Day in Cambridge



Honor Fell, Associate Director and Sustainable Investment Lead

“ It is positive to see the significant progress made in the three years since formulating the sustainable investment strategy.

Sustainable Investment – Progress Since 2020



Progress against the Sustainable Investment Strategy

Investing to achieve a phased transition to net zero

Through 2023, UCIM has further embedded sustainability considerations into its investment process through the formalisation of four specific criteria to assess a new fund management partner.

The UCIM team has found these a helpful and positive framework to screen out unsuitable partners, engage with potential partners on sustainability in the early stages of due diligence, and to inform discussion with governing bodies, such as the Investment Advisory Board.

1. Is net zero a serious consideration for the senior leadership team?
2. Does the firm have a formal net zero policy or approach in place?
3. Does the firm engage with its portfolio companies on climate change?
4. Is there adequate reporting in place to meet UCIM's requirements?

Investing in the Energy Transition

A key feature of UCIM's sustainable investment strategy is committing to fund managers focused on the energy transition. One example is a fund manager, specialising in renewable energy infrastructure in Europe. Through the due diligence process, UCIM was impressed by its senior team's deep sector knowledge, long track record, strong network in the renewable

energy industry and systemic approach to identifying investment opportunities. Since inception, the firm has committed over €1.4bn of equity to renewable energy projects, such as solar and wind infrastructure across Europe.

The firm typically targets investments in the range of €50-100m in companies. Since UCIM partnered with the firm, it has invested €200m in four projects, across two funds.

The impact of CUEF's investment in this fund manager is equivalent to: 47,023 tonnes of CO₂e prevented; 55,440 homes powered by renewable energy; and 305 employees in green industry.

Engaging to decarbonise the economy

As a direct result of UCIM's active engagement through the year, a number of fund management partners have made tangible improvements in their businesses and portfolios, including the creation of new sustainable investment policies; the incorporation of environmental factors into their decision-making; enhanced reporting against sustainability metrics, such as levels of greenhouse gas emissions; and the creation of fossil fuel free funds.

Executive Education Programme for Partners

A key part of UCIM's engagement strategy is to support fund management partners to decarbonise their portfolios. UCIM is proud

to be able to do this by leveraging the depth of climate and sustainability expertise at the University.

In Spring 2023, UCIM staged the third cohort of its bespoke Executive Education programme, developed and delivered in partnership with the Cambridge Institute for Sustainability Leadership ("CISL"). 18 firms have now completed the programme, representing approximately \$150bn of assets under management.

This year, a new component requiring participants to provide a final presentation to CISL and UCIM on their proposed activity and path to achieve net zero was added.

The fourth cohort of the programme will take place on the East Coast of the US in Spring 2024 – addressing a large prospective selection of partners managing Public Equity, Private Equity and Absolute Return Funds.



↑ CISL Cohort 3 at the Møller Institute, May 2023

"Net Zero by 2038" Executive Education Programme

A UK-based lower to middle market buyout manager was rated as "measuring and managing" when UCIM first assessed the firm's sustainable investment approach in 2020. At the time, the majority of its portfolio companies did not measure carbon emissions and the firm did not have a policy on climate change.

Senior team members attended the programme in 2022. The firm also worked with a sustainability consultant, to review and update its sustainable investment processes.

Using the learnings from the programme, by the end of 2022, over a third of companies in the portfolio had started to measure Scope 1 and 2 carbon emissions. The firm set its sights higher in 2023 and by the end of the year, a number of its portfolio companies were carbon neutral across their Scope 1 and 2 emissions; the others had all made a net zero commitment. In 2024 it plans to complete a TCFD* risk assessment across the portfolio.

* Task Force on Climate Related Financial Disclosures

Progress continued

Reporting with transparency and accountability to our Stakeholders

As well as improving the quality of reporting, the UCIM team increased its level of engagement with key Stakeholders across the University to improve understanding of the Sustainable Investment Strategy.

A summary of activity is shown in the table opposite.

Sustainable Investment Internships

As well as being an important part of the HR strategy, UCIM's internship programme acts as a valuable engagement activity, allowing two students from the University to gain exposure to our Sustainable Investment Strategy. Details of this year's full internship programme are provided in the "[Life at UCIM](#)" section of this report.



↑ Closing session at "Net Zero by 2038" Cohort 3



↑ Panel session at "Net Zero by 2038" Cohort 3

Stakeholders	Engagement and Reporting 2022-23
Students, Academics, University Staff and all Stakeholders	Annual Town Hall event on MS Teams, February 2023
Student Union	CIO meeting with representatives from Student Union, February 2023
Green Officers	Roundtable discussion with Green Officers, May 2023
CUEF Investors	Quarterly Performance Reports Annual Investment Management Report Annual Investor Meeting CIO annual attendance at University Council and Finance Committee meetings One-to-one meetings with College Bursars
University Departments and Activities	Cambridge Zero Cambridge University Health Partners and Biomedical Campus Innovate Cambridge Research Communications Group Participation in Green Impact Award (Silver)
Sector Organisations	Responsible Investment Network – Universities The Institutional Investors Group on Climate Change Investor Forum
Other Forums	Participation in University Banking Engagement Group

Metrics and Targets

UCIM has developed relevant and representative metrics to report to Stakeholders to demonstrate progress towards its overall ambition for the CUEF to be net zero of greenhouse gas emissions by 2038, including the commitment to have no meaningful exposure to conventional energy by 2030*.

The primary method of data collection that supports the Sustainable Investment Strategy is an annual survey of fund management partners, used to gather detailed quantitative and qualitative data. In addition, UCIM subscribes to S&P Trucost and makes use of emissions and exposure data via Bloomberg.

Greenhouse Gas Emissions

For the year ended 30th June 2023, the Weighted Average Carbon Intensity (“WACI”) of the CUEF’s Public Equity Portfolio was 162.1 tCO₂e/£mn, 7.9% below the WACI for the MSCI All-Countries World Index**.

Conventional energy as a proportion of the portfolio

For the year ended 30th June 2023, conventional energy was 2.2% of the CUEF portfolio, a reduction of 1.6% compared to the prior year and 2.4% below the MSCI All-Countries World Index.

* UCIM defines meaningful as 0.5%.

** Sources: S&P Trucost copyright S&P Global Market Intelligence; the WACI of the Endowment’s Private Equity portfolio is based on UCIM’s internal measurement. MSCI ACWI figures sourced from Bloomberg.

Investing capital in the energy transition

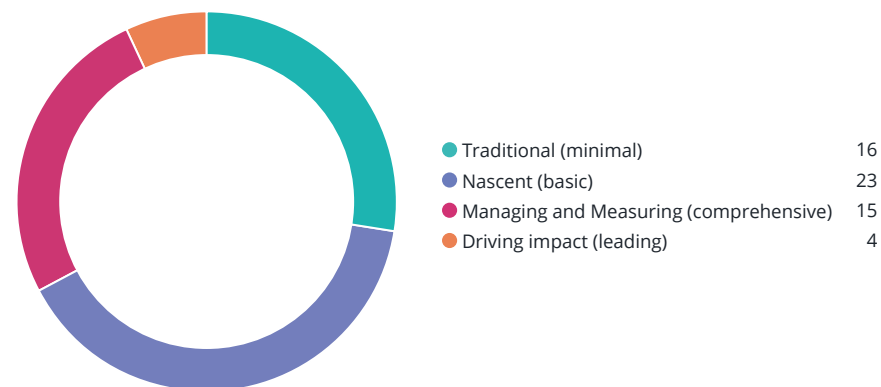
Since 2021, UCIM has committed over £100m to fund managers specifically focused on the energy transition.

Number of fund management partners reporting greenhouse gas emissions

As a representative measure of UCIM’s engagement, there are currently 28 fund managers, or one third of the CUEF portfolio reporting emissions. The proportion of managers measuring carbon emissions rose meaningfully over the year and all real assets managers now report their emissions to UCIM, which will enable a consolidated carbon footprint to be reported following the end of the 2023 calendar year end for the first time.

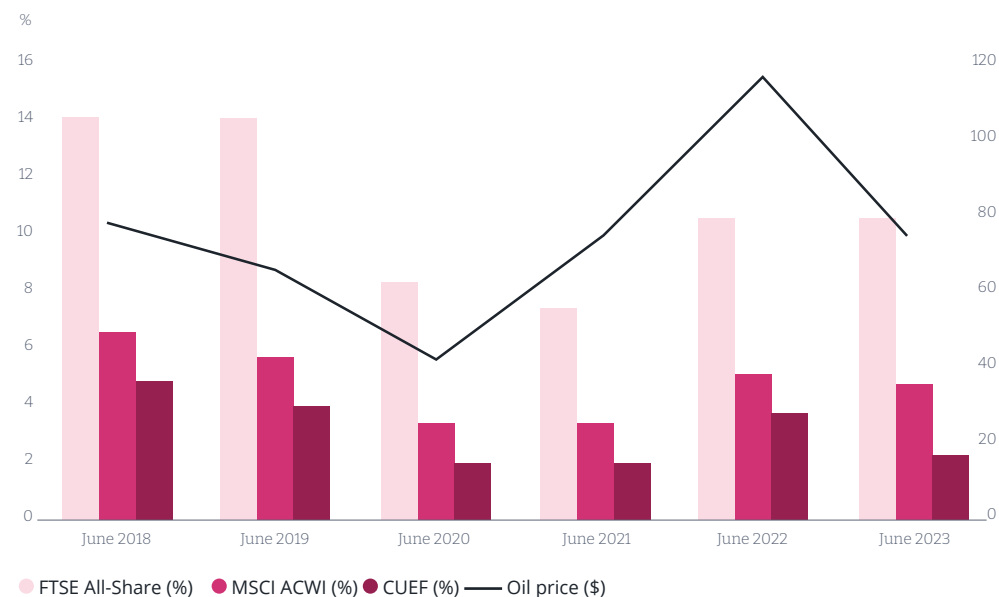
UCIM has developed an internal system of categorisation of its fund managers’ sustainability – “Traditional”, “Nascent”, “Managing” and “Driving Impact” (in ascending order), which allows the team to monitor progress and focus engagement activity. In the financial year ended 30th June 2023, five partners were upgraded and one was downgraded based on their progress.

UCIM Fund Manager Partner Sustainability Categorisation



Energy exposure relative to MSCI All-Country World Index and FTSE

All-Share (%) and Oil Price (\$, source: Bloomberg), 2018 to 2022



Sustainability Governance and Risk Management

The newly constituted Cambridge University Trustee Body (“CUETB”) represents the University as trustee of the CUEF and the interests of all investors. The CUETB considers sustainability as part of its mandate.

In November 2023, the CUETB formally approved a revised Statement of Responsible Investment Principles (“Principles”) for the Fund including the principle for the CUEF to align to net zero (panel opposite).

The UCIM Board is the governing body responsible for oversight, compliance and risk management. Risks associated with UCIM’s sustainable investment approach are integrated into UCIM’s overall risk management framework.

The Investment Advisory Board supports the investment team with feedback on sustainability, including potential allocations to new fund managers and engagement with existing partners.



↑ Trinity Lane

CUEF Responsible Investment Principles 2023

The management of the CUEF should reflect the interests and values of the unitholders across all areas of investment activity, insofar as such considerations are consistent with its Investment Objectives. In this context, the Fund has four Principles:


1. Invest for the long term: As the University of Cambridge is a perpetual institution, the CUEF should consider the long-term implications of all relevant investment decisions.
2. Promote good governance: Clear, consistent, and rigorous governance structures and processes are essential to optimal decision-making. This approach applies equally to the CUEF and its Investment Manager, as well as its underlying investments.
3. Align with net zero: Climate Change is the most pressing problem facing humanity, necessitating a transition to an economic system with net zero greenhouse gas emissions. Positioning the CUEF to prosper in a future net zero economy is consistent with meeting its long-term risk-adjusted investment return objectives.
4. Champion diverse teams: Diversity of thought leads to more effective decision-making for society and the environment as well as driving better financial performance.

Future Plans

UCIM will continue to implement its existing Sustainable Investment Strategy in 2023 and 2024, with a more intensive focus on educating and engaging with fund managers. UCIM intends to develop specific business plans for each asset class, including emissions measurement for absolute return & credit.

UCIM will undertake thematic research into “hard-to-abate” sectors and nature-based solutions, to explore the potential for future allocations in these areas. UCIM is also planning a project to evaluate its approach to engagement on voting with its fund management partners in the public equity part of the CUEF portfolio.



 Sainsbury Laboratory

Life at UCIM

The team has an excellent culture of support, collaboration and learning; as well as a strong commitment to UCIM's Mission, Vision and Values.



↑ The UCIM team, November 2023

Team and Culture

UCIM is made up 18 permanent team members, split across Investment and Operations; most of whom joined the organisation since January 2020, under its new leadership.

The team has an excellent culture of support, collaboration and learning; as well as a strong commitment to UCIM's Mission, Vision and Values. Monthly surveys show a consistently high level of staff satisfaction.

Diversity and Inclusion

UCIM recognises that highly diverse workforces typically outperform and has sought to build a multi-cultural, multi-generational team with varied educational and socio-economic backgrounds and strong female representation.

Managers are trained on how to avoid unconscious bias in recruitment and UCIM deploys a range of tools to ensure

prospective candidates are evaluated on a range of skills and cultural fit, including numerical reasoning, case studies and psychometric tests. Interviews are conducted both face to face and virtually, with reasonable adjustments made to ensure all candidates can access roles at UCIM.

For more information <https://www.ucim.co.uk/menu-pages/our-team>



Michael Mumford, Investment Operations Manager

Jawad Afzali, Investment Operations Analyst

Feedback from staff survey, August 2023

“ There is a very strong, supportive team dynamic, which is very refreshing. I feel like there are no egos and we all want to work together for the good of the team, organisation and University.

“ Strong moral and ethical principles permeate through every aspect of UCIM/CUEF.

Sustainable Organisation

At the University's Sustainability Showcase in June 2023, UCIM achieved Silver in the annual Green Impact Awards, reflecting the great efforts the team, led by Samantha Richards, Business Support Administrator has made to improve its own sustainability.

UCIM measured its own greenhouse gas emissions for the calendar year 2022, one of the first departments at the University to do so.

Summer Internship Programme

As part of the regular summer internship programme, UCIM hosted four interns; two from the University as well as one from the 10,000 Interns program and another from GAIN (Girls are INvestors). Interns carried out independent research projects and, as part of our Sustainable Investment Strategy, the two interns from the University of Cambridge specifically focused on sustainability. All interns made a strong contribution and reported very positively on their experience.

In August 2024, one of the sustainable investment interns from 2021 will join UCIM as a full-time member of team in the role of Investment Analyst, when she graduates from the University of Cambridge.

UCIM's emissions for 2022 were 468 tCO₂e, the vast majority of which were Scope 3 emissions, attributable to purchases of services and travel. The detailed breakdown of emissions provided in the report enables UCIM to review its procurement and travel arrangements, to minimise emissions in future.



↑ UCIM team at a volunteering event



↑ Samantha Richards, Business Support Administrator

Karen Whinney, Chief Operating Officer

After completing my degree, I trained as a Chartered Accountant with PwC, going on to work for their external audit function and was seconded to their technical team to further develop my skills. This technical focus provided me with an excellent base for understanding regulations, interpreting legislation, assessing exposure and risks of an organisation. I progressed into industry roles where I continued my professional education and studied for a treasury qualification alongside running corporate treasury projects.

I have always believed in the importance of education, and the opportunities it can provide for young people. During a career break to raise my children, I became Chair of Governors and taught maths voluntarily at our local school. So, returning to work, I was keen to apply my financial experience in the educational sector.

I have worked at the organisation managing the University's Endowment Fund for over nine years, progressing through operations roles, becoming COO as part of a competitive external recruitment process in April 2021.

Looking back, it is amazing how much the organisation has changed over this time, especially since 2020, when so many of the current team joined and so many of the professional functions have been brought in-house. We have made major strides, enhancing our risk management processes,

IT and reporting systems and putting in place an approach to recruitment that has allowed us to recruit an excellent team.

I continue to be motivated by the vision and support of colleagues. Supporting their wellbeing is paramount to our success. I enjoy enabling them to do their best work, both individually and together as a team.



↑ Fitzwilliam Museum



Karen Whinney
Chief Operating Officer

“
Cambridge is a unique place and I feel extremely proud to be a part of this environment and this team.”

2023 Summer Internship Programme



Jingwen Wang

Clare College, Cambridge,
Economics



As an undergraduate, being able to attend meetings with CEOs and CIOs of potential investment partners was a great opportunity. It gave some technical knowledge and great insight into the industry. The internship also introduced me to how impactful it can be to engage with companies to influence their approach to sustainability. I thoroughly enjoyed my experience at UCIM and will definitely consider a career in investment.



Philippa Stokes

Trinity College, Cambridge,
Economics



As someone considering a career in sustainable investment, the internship showed me how net zero ambitions can be aligned with investment outcomes for an endowment fund, as well as helping me to understand current trends in the investment industry. The value UCIM placed on the input of interns enabled us to feel empowered to contribute to discussions and present our projects.



Wisdom-James Olopade,

LLB Law at Warwick University



I gained exposure to a variety of investment strategies and fund managers, including private equity and hedge funds, which were new asset classes for me. My project researching voting practices gave me the opportunity to interview fund managers, which was a responsibility and very interesting. The Investment Analysts always took time to answer my numerous questions, so a big thank you to them for the support.



Alice Oldfield

BSc in Mathematics and Physics,
Durham University



I enjoyed my project analysing data from the Annual Manager Survey and suggesting KPIs which could be used to track sustainability metrics. It was rewarding to complete a project which will be used by the team and impact UCIM. GAIN provided me with online training and the UCIM team was always supportive. The variety of experiences I was exposed to improved my confidence and understanding of the investment sector.

CUEF Governance Structure

Cambridge University Endowment Trustee Body

- Fiduciary duties to all CUEF investors
- Three members appointed by University Council
- Two members appointed by investors in CUEF
- One independent member appointed by CUETB
- Oversees and consults with the Investment Advisory Board and UCIM

UCIM Board

- Governing body responsible for oversight, compliance and risk management of UCIM
- Sub-committees:
 - Nominations and Remuneration
 - Valuation
 - Audit, Risk, Compliance and Controls
- Reports to CUETB

Investment Advisory Board

- Committee constituted by the CUETB
- Chair and minimum of five independent members appointed by the CUETB
- Consults with CUETB and UCIM on investment strategy and portfolio management

University of Cambridge Investment Management

- Investment manager of the CUEF
- Reports to CUEF investors
- Authorised and regulated by the Financial Conduct Authority

Cambridge University Endowment Fund (“CUEF”)



For further information:
<https://www.ucim.co.uk/menu-pages/our-boards>



The Ray Dolby Centre funded by an endowed gift from the Dolby Family. Photo credit Paul Raftery



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Kate Coghlan

Photography:

Martin Bond <https://www.acambridgediary.co.uk>

UCIM staff photography by John Davis

<https://www.johndavisphoto.com>

Additional photography:

University of Cambridge