

Treasury and Investment Policy

Version 3 - Approved 4 December 2020

Purpose:

This policy guides the responsible and effective management of the University, and its controlled entities, investment and financing activities

		Responsible
1	Investment funds	
1.1	The The University will seek to maximise investment returns within acceptable risk levels.	Chief Operating Officer
1.2	Investment allocation decisions for longer-term investment funds will be managed to achieve: a) an average annual return, after fees, at least equal to the average increase in headline consumer price index plus a margin recommended by the University's investment advisors and approved as part of the University's annual strategic planning process. b) over rolling five-year periods, achieve an average before fees annual return that is at least equal to the benchmark return. c) to limit the probability of a negative return to no more than 1 in every 4.5 years. d) a zero-carbon future.	Chief Operating Officer
1.3	Investment decisions will ensure investment funds maintain sufficient liquidity to mitigate existential risk.	Chief Operating Officer
1.4	The University's investment decisions will be governed by a negative fossil fuel screen and a positive screen that considers the United Nations Sustainable Development Goals.	Chief Operating Officer
1.5	Investment funds will be utilised in support of the renewal of necessary physical infrastructure of the University and for strategic purposes.	Chief Operating Officer
1.6	The University's investments will be managed to realise the objectives of endowment funds and to meet annual spending requirements (eg scholarships, prizes, gifts and research).	Chief Operating Officer
1.7	Investment funds are managed to support the University in maintaining its consolidated debt to equity ratio	Chief Operating Officer
2	Governance and risk management	
2.1	Any University financial decision will be compliant with relevant borrowing facilities' covenants and undertakings and the University's consolidated debt to equity ratio of 30 per cent.	Chief Operating Officer
2.2	All aspects of enacting and administering borrowings or financing arrangements will be coordinated by the University's treasury function, which will ensure appropriate controls are in place to manage risks.	Chief Operating Officer
3	Borrowings, debt and cash management	
3.1	Borrowing arrangements will ensure the University's liquidity, maintain financial stability, and support the University's long-term funding strategy.	Chief Operating Officer

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| 3.2 | The University will seek appropriate borrowings to minimise financing costs and provide stability through management of refinancing risk. | Chief Operating Officer |
| 3.3 | The University's cash balances will be managed efficiently to ensure all obligations are met, at the lowest possible cost. | Chief Operating Officer |
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Definitions and acronyms:

4 December 2020 *Once printed this is an uncontrolled document:* [Version history](#)

All University community members must comply with all relevant laws and regulations, University By-Laws, ordinances, policies and procedures.