



Briefing Note: Governance of the University of Edinburgh Endowment Fund

1. What is the Endowment Fund?

The Endowment Fund consists of nearly 600 separate endowments made by donors pooled in a combined fund totalling around £500m. The large majority of the endowments are restricted funds, meaning that they are spent in line with donor wishes such as funding particular scholarships or areas of research. The objective of the overall Endowment Fund is to grow its value and maintain its capital in real terms over the long term whilst providing an annual income yield to support the activities of the numerous separate endowments. The Endowment Fund provided £16.8m in income in 2022-23, spent as follows:

Spend by purpose (2022-23 data)

Contributions to research, capital support, other – 75%

Prizes and scholarships – 15%

Funding for academic posts (e.g. Professorships/lectureships) – 10%

Spend by area (2022-23 data)

College of Arts, Humanities, Social Sciences – 43%

College of Medicine & Veterinary Medicine – 28%

College of Science & Engineering – 6%

Central/Professional Services (e.g. Library, University-wide scholarships) – 23%

Source: [Endowment Fund Report for the Year to 31 July 2023](#)

2. How is the Endowment Fund governed?

The University's governing body, the [University Court](#), is ultimately responsible for the Endowment Fund and can approve strategies or policies, such as the [Responsible Investment Policy](#), or principles it wishes to be adhered to in management of the Endowment Fund. It can also on occasion make specific investment decisions if it feels that University Court-level approval is appropriate. The management of the Endowment Fund is delegated from the University Court to the [Investment Committee](#), which itself has oversight from the [Policy & Resources Committee](#). The Investment Committee is comprised of a majority of independent members with professional investment expertise, including the Committee Convener, all of whom donate their time and expertise to the University on a voluntary basis. The Investment Committee operates within a [Terms of Reference](#) set by Policy & Resources Committee, which includes:

- Implementing any policy objectives set by the University Court, such as the objectives of the Responsible Investment Policy. This includes adoption of the United Nations Principles of Responsible Investment (adopted in January 2013, the first university in Europe to do so) and restrictions on certain investments (e.g. tobacco, controversial armaments, fossil fuels)
- Managing the investment portfolio asset allocations to deliver a return that exceeds UK Consumer Price Inflation + 4%, net of fees, over the medium term (3-5 years)
- Making a positive contribution to environmental and social impact through wherever possible investing in ESG (Environmental, Social & Governance)

compliant funds and considering investment in other assets that deliver financial and non-financial benefits.

- Ensuring an appropriate proportion of the funds invested can be realised quickly if required.

The Investment Committee appoints professional investment fund managers and monitors their performance against benchmarks.

3. Where can I find more detailed information?

A list of the investment fund managers used and the types of investments made are published [here](#). Annual reports on the performance of the Endowment Fund are published [here](#) and key details are also included in the University's [Annual Report and Accounts](#).

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Governance & Court Services
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