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Dear Laura Clayson

FOI22-299 Finance – University Investments

I refer to your email received by the University on 10th November 2022 in which you requested an internal review of the University's response to your request under the Freedom of Information Act issued on 28th September 2022.

This has been referred to me for review in accordance with the University FOI Complaints Procedure. My role as a reviewer is to undertake a fair and thorough examination of the decisions taken pursuant to the Act. In undertaking the review, I have reconsidered all factors relevant to the issue, University policies, and guidance from the Information Commissioner's Office. You can find further information on that procedure at the following web address: [Freedom of information and Environmental information requests - Public information - Cardiff University](#)

Decision

Following due consideration of the case I have concluded that your complaint is not upheld.

Background

In your request, received 2nd September 2022, you requested the following information:

1. **What was the total market value of the university's investment portfolio(s) on the 31st July 2022?**

If you are going to provide this information through your Annual Accounts/Financial Statements, please provide the specific page number, section and row that the value can be found on. For example, page 28, section 5 "Investments", row "total market value."

For guidance on the number we are seeking, please see this example from the University of Glasgow at 'Annual Investments' in cell C1091 here:
<https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.gla.ac.uk%2Fmyglasgow%2Fsustainability%2Fethicalinvestment%2F&data=05%7C01%7CInfoRequest%40cardiff.ac.uk%7Cbfa91b7a3d74f07aab408da8cda0b36%7Cbdb74b3095684856bdbf06759778fcbc%7C1%7C0%7C637977165666393992%7CUnknown%7CTWFPbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luM>

zliLCJBTil6lk1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=5%
2BpUAIrINMioQfOvVLXx%2BTEXlePpYSvW6tly092cllc%3D&reserved=0

2. On the 31st July 2022, were the institution's investment portfolio(s) managed directly by the institution, indirectly by [an] external fund manager(s), or a combination of both?
3. If the university uses external fund manager(s) to manage investment portfolios, please provide the name of each fund manager used, along with the percentage of the total investment funds that they were managing on the 31st July 2022.

Please present this information in this format:

Fund manager name - Percentage of total investment funds managed

Schroders - 47%

CCLA - 49%

University - 4%

4. If the institution invests directly, please provide the details of companies invested in (by way of all investment portfolios), including the full names of each company invested in, and the market value invested in each company on the 31st July 2022. Please provide this information in a spreadsheet format.
5. If the university holds investments through [an] external fund manager(s), please provide a breakdown of the university's holdings with that investment manager on the 31st July 2022, including the market value for each company that forms part of your investment portfolio(s) with them. Please provide this information at a company level in a spreadsheet and/or the format that this information is provided to you by your fund manager(s).

For example, see the University of Glasgow's breakdown at 'Annual Investments' here:

<https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.gla.ac.uk%2Fmyglasgow%2Fsustainability%2Fethicalinvestment%2F&sdata=5%7C01%7CInfoRequest%40cardiff.ac.uk%7Cbfca91b7a3d74f07aab408da8cda0b36%7Cbdb74b3095684856bdbf06759778fcbc%7C1%7C0%7C637977165666550218%7CUnknown%7CTWFpbGZsb3d8eyJWIjojMC4wLjAwMDAiLCJQIjojV2luMzliLCJBTil6lk1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=QactPMg8CKzbz%2BnpUO%2FR%2BegCpy5e87IWvFmpa3sly74%3D&reserved=0>

6. Does the institution have an ethical investment policy, or similar? If so, please state if it is publicly-available, and provide a web link.



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Our response to your initial request

Our response addressed your questions as follows:

I am writing in response to your Freedom of Information request dated 2 September 2022. For ease of reference, I have reproduced your questions below and set out our corresponding responses.

1. What was the total market value of the university's investment portfolio(s) on the 31st July 2022?

If you are going to provide this information through your Annual Accounts/Financial Statements, please provide the specific page number, section and row that the value can be found on. For example, page 28, section 5 "Investments", row "total market value."

For guidance on the number we are seeking, please see this example from the University of Glasgow at 'Annual Investments' in cell C1091 here:

<https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.gla.ac.uk%2Fmyglasgow%2Fsustainability%2Fethicalinvestment%2F&data=05%7C01%7CInfoRequest%40cardiff.ac.uk%7Cbfca91b7a3d74f07aab408da8cda0b36%7Cbdb74b3095684856bdbf06759778fcbc%7C1%7C0%7C637977165666393992%7CUnknown%7CTWFpbGZsb3d8eyJWIjoicMC4wLjAwMDAiLCJQIjoicV2luMzliLCJBTil6lk1haWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=5%2BpUAIrINMioQfOvVLXx%2BTEXxlePpYSvW6tly092clc%3D&reserved=0>

Under s22 of the Freedom of Information Act 2000 we are not obliged to provide information that is due for future publication. Cardiff University's financial period runs to 31 July each year. The annual accounts contain information on investments and endowments and other financial activity. Information for the 2021/22 financial year is due to be published in December 2022 and will be available to the public on our website at <https://www.cardiff.ac.uk/public-information/corporate-information/financial-information>. We are not aware of any pressing public interest in providing the information earlier than the expected publication date. We are not aware of any pressing public interest in providing the information earlier than the expected publication date and it may interfere with the commercial interests of the University to do so. For further information on the publication date and any charges that may apply please contact the Finance department.

2. On the 31st July 2022, were the institution's investment portfolio(s) managed directly by the institution, indirectly by [an] external fund manager(s), or a combination of both?

The University's investment portfolios were managed by external Investment Managers.



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3. If the university uses external fund manager(s) to manage investment portfolios, please provide the name of each fund manager used, along with the percentage of the total investment funds that they were managing on the 31st July 2022.

Please present this information in this format:

Fund manager name - Percentage of total investment funds managed

Schroders - 47%

CCLA - 49%

University - 4%

As at 31st July 2022, the University's total endowment and investment portfolio was managed by investment managers in the following proportions.

Barclays 38%

Rathbones 11%

Sarasin 38%

CCLA 13%

4. If the institution invests directly, please provide the details of companies invested in (by way of all investment portfolios), including the full names of each company invested in, and the market value invested in each company on the 31st July 2022. Please provide this information in a spreadsheet format.

We do not hold the information as at 30th September 2022. As at 31st July 2022 the University had a direct investment in Mobeus IV (Private Equity Fund), which was less than 1% of the University's investment portfolio. This information is not available in spreadsheet format.

5. If the university holds investments through [an] external fund manager(s), please provide a breakdown of the university's holdings with that investment manager on the 31st July 2022, including the market value for each company that forms part of your investment portfolio(s) with them. Please provide this information at a company level in a spreadsheet and/or the format that this information is provided to you by your fund manager(s).

For example, see the University of Glasgow's breakdown at 'Annual Investments' here:

<https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.gla.ac.uk%2Fmyglasgow%2Fsustainability%2Fethicalinvestment%2F&data=05%7C01%7CInfoRequest%40cardiff.ac.uk%7Cbfca91b7a3d74f07aab408da8cda0b36%7Cbdb74b3095684856bdbf06759778fcbc%7C1%7C0%7C637977165666550218%7CUnknown%7CTWFpbGZsb3d8eyJWljojMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTil6lk1haWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=QactPMq8CKzbz%2BnpUO%2FR%2BqCpy5e87IWvFmpa3sly74%3D&reserved=0>



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Cardiff University endowment assets and other investments are managed by external fund managers, who report to the University on the companies invested in and the market value invested. After due consideration it is considered that the information is exempt from disclosure by virtue of Section 43 of the Freedom of Information Act 2000 entitled 'Commercial interests'. This section states:

43(2) Information is exempt information if its disclosure under this Act would, or would be likely to, prejudice the commercial interests of any person (including the public authority holding it).

The information requested contains data that would give insight into the University's activities that would be likely to prejudice its commercial interests. The University has appointed external fund managers to create a portfolio of investments which will help the University to raise funds and remain financially sustainable. If a competitor knew how University funds were invested, they could use this information to gain financial advantage without paying for the financial advice as Cardiff University has done. There is a real and significant risk that competitors could replicate the University's investment strategy and thereby adversely impact on the market value. This would have the effect of distorting the market and give a clear advantage to competitors who may not be subject to the FOI Act to exploit that information for their own competitive gain. The changes to the funding of universities over recent years has resulted in many institutions considering alternative ways of securing funding for their core purpose. A robust investment portfolio is one element of strategic development which will ensure that the University is able to compete in a competitive market and provide the best experience for its students.

In order to apply, the exemption requires that a public interest be considered, and this is documented below:

Public Interest Test

Factors in favour of disclosure

Openness and Transparency - It is in the public interest that University's, as public authorities, are as open and transparent as possible in the way that they operate and the way in which decisions are made.

Factors in favour of non-disclosure

Commercial Interests - It is not in the public interest to disclose information that would undermine the ability of the University to achieve the best return on its investments.

Efficiency and effectiveness – It is not in the public interest to disclose information that would erode the efficiency and effectiveness of the organisation by eroding its opportunity's to achieve the best return on its investments and undermine its ability to use that income for reinvestment in its public task.



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Given the above, it is considered that it is in the greater public interest to withhold the information from disclosure at this time.

6. Does the institution have an ethical investment policy, or similar? If so, please state if it is publicly-available, and provide a web link.

The ethical investment policy is available at:

[Investment Policy Statement May 2018.pdf \(cardiff.ac.uk\)](#)

Your request for an internal review

Your complaint states:

"I am writing to request an internal review of Cardiff University's handling of my FOI request 'University Investment Portfolio Statistics'.

I would like to please request an internal review on the decision not to disclose market values at the company-level within the university's investment portfolios on the grounds that disclosure of this information would "be likely to prejudice its [the university's] commercial interests."

Other institutions in the sector have willingly disclosed this information to us for analysis this year - and in the previous years that we have undertaken this annual research. Additionally, a number of institutions publish this information on their public-facing websites. This is in spite of the issues you have raised, indicating public interest around the transparency and accountability of public authorities outweighs the arguments for non-disclosure that you highlight."

Our response to your complaint

We note that you have accepted our responses to questions one to four and question six and your complaint is in relation to question 5 which was withheld under s43(2) FOIA, as the University considers the release of this information, would, or would be likely to, prejudice its commercial interests.

After due consideration the University is unwilling to release this information. In coming to this decision, the following factors have been considered:

1. The responses of other institutions which have received the same request are not a factor in how the University decides to respond to a Freedom of Information request. Each institution has the right to consider the impact of releasing requested information, and where the release of that information will or is likely to have a detrimental impact on the institution, consider whether an exemption to its release should be engaged.
2. We note that we note you have not substantiated your statement by advising the number of institutions that you have made this request to and which institutions are willing to provide this information. In any event, the responses of other institutions do



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not set a precedent on how another institution should respond to the same Freedom of information request.

3. We note that the University was subject to a Freedom of Information requests from your organization in 2019 (responded to under reference FOI19-408), 2020 responded to under reference FOI20-345) and again in 2021 (responded to under reference FOI21-404). In each of those requests you raised the same question albeit for a different period. We note no request for an internal review was received under reference FOI19-408 but a request for an internal review was received for FOI20-345 and FOI21-404 both of which were not upheld. You have raised the same reasons for the review of request FOI22-299 as you did for FOI21-345 and FOI21-404.
4. In this instance the University considers that the release of this information will or is likely to prejudice its commercial interests for the reasons set out in our initial response of 28th September 2022.

Considering the above findings and with no compelling argument to the contrary, it is considered that s43(2) FOIA has been appropriately applied to your request for information and your complaint is not upheld.

If you remain dissatisfied with the outcome of your complaint, you have the right to apply directly to the Information Commissioner for consideration. The Information Commissioner can be contacted at the following address: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF.

Yours sincerely

Andrew Lane
Senior Compliance Advisor and Data Protection Officer



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