



### Press Release

## University of Cambridge & University of Oxford Colleges partner with Amundi for fossil-fuel free, low-carbon fund

- *Clare College, Cambridge to transition endowment's entire equity allocation to be fossil-fuel free, in partnership with Amundi*
- *Strategy seeks to replicate the performance of the MSCI All Country World Index<sup>1</sup> while excluding controversies; fossil fuel reserves; energy sector stocks; and thermal coal*

**London, 18 November 2020** – Amundi, Europe's largest asset manager<sup>2</sup>, Clare College, Cambridge and Corpus Christi College, Oxford announce that they have partnered to develop a customised low-carbon ESG index fund that will be open to other charities and endowment funds.

Clare College will transition all of the endowment fund's equity allocation to this new strategy as part of their plans to achieve zero carbon and reduce the long-term risk of stranded assets.

The **Amundi ESG Global Low Carbon Fund** ("the Fund"), seeded by Clare College, was developed by Amundi in collaboration with the bursars of a number of University of Cambridge and University of Oxford Colleges. It is a cost-effective index-tracker, carefully designed to offer an improved sustainability profile to address the financial risk of climate change.

The strategy seeks to replicate the performance of the MSCI ACWI Index while incorporating a number of ESG focused objectives:

1. Remove all fossil fuel reserves; energy sector stocks; and thermal coal within the portfolio
2. Look to significantly improve green revenues and reduce carbon emission intensity<sup>3</sup>
3. Reduce the risk of exposure to controversies<sup>4</sup>

The Fund also monitors value factor exposure to ensure it does not deviate significantly from the benchmark and to reduce the risk of any unintended bias.

As with all of Amundi's index-managed strategies, the solution will benefit from the Group's engagement capabilities when it comes to shareholder dialogue with investee companies on ESG matters. A focus on engagement and voting drives positive sustainable change for the benefit of companies, their investors, and wider society.

Amundi and the Oxford and Cambridge College investment teams will work together to evolve the Fund over time in response to the ever-changing ESG investment landscape. This dynamic approach will ensure it continues to be positioned to seek to deliver optimal risk-adjusted returns.

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<sup>1</sup> The MSCI ACWI captures large and mid-cap representation across 23 Developed Markets and 26 Emerging Markets countries

<sup>2</sup> Source: IPE "Top 500 asset managers" published in June 2020, based on assets under management as at 31/12/2019

<sup>3</sup> The fund will seek to improve green revenues by 50% and reduce carbon emissions intensity by 30%

<sup>4</sup> In addition to the exclusion of fossil fuel reserves, energy sector and thermal coal, the fund also excludes companies involved in significant controversies (breaches of UN Global Compact), companies involved in controversial weapon manufacturing or sales, companies deriving >0% of their revenue/power generation from thermal coal, tobacco and adult entertainment.

Amundi has extensive experience in developing and managing custom climate and ESG index strategies for investors around the world and recently launched the first index strategies aligned to the 2°C goals of the Paris Agreement.

**Paul Warren, Bursar of Clare College, Cambridge, said:** *“Clare College is passionate about achieving the best possible returns for the endowment to ensure we can continue to support our diverse student population to achieve their potential. Transitioning our equity allocation to this solution will play an important role in delivering this objective by reducing our climate-risk exposure. Amundi was carefully selected based on its flexibility, experience managing climate solutions and indexing expertise.”*

**Ashley Fagan, Head of ETF, Indexing & Smart Beta Strategy & Business Development for UK & Ireland – Amundi, said:** *“We are delighted to be working with the Oxford and Cambridge colleges to launch and manage a bespoke ESG index solution to meet the needs of the endowments. The strategy we have developed together offers UK endowments, charities and professional investors a simple and cost-effective approach to reduce climate exposure in their portfolios over the long-term.”*

ENDS

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### About Amundi

Amundi, the leading European asset manager, ranking among the top 10 global players<sup>5</sup>, offers its 100 million clients - retail, institutional and corporate - a complete range of savings and investment solutions in active and passive management, in traditional or real assets.

With its six international investment hubs<sup>6</sup>, financial and extra-financial research capabilities and long-standing commitment to responsible investment, Amundi is a key player in the asset management landscape.

Amundi clients benefit from the expertise and advice of 4,500 employees in nearly 40 countries. A subsidiary of the Crédit Agricole group and listed on the stock exchange, Amundi currently manages more than €1.650 trillion of assets<sup>7</sup>.

**Amundi ETF, Indexing and Smart Beta** is one of Amundi's strategic business areas. With over 30 years of expertise in index solutions replication and development, Amundi is a leader in ETF UCITS and a partner of choice in index management, recognised for its innovation and competitiveness. The platform is also known for its ability to develop Smart Beta & Factor Investing solutions. Responsible investment is one of the platform's strengths, not only for open funds but also for ESG and climate solutions. The business line manages over €131 billion of assets.<sup>8</sup>

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<sup>5</sup> Source: IPE “Top 500 Asset Managers” published in June 2020, based on assets under management as at 31/12/2019

<sup>6</sup> Boston, Dublin, London, Milan, Paris and Tokyo

<sup>7</sup> Amundi data as at 30/09/2020

<sup>8</sup> Amundi data as at 30/09/2020



### **About Clare College**

Clare College was founded in 1326 and was the first of the Oxford and Cambridge foundations to provide for a Master, Fellows and Scholars in a single community. It remains today a society of academics and students brought together by a common interest in learning, teaching and research. The College has 95 Fellows, 300 graduate students and approximately 460 undergraduate students. Clare's Endowment – currently around £130 million – is designed to ensure the College's Financial sustainability and independence, now and for the future.

### **About Corpus Christi College**

Corpus Christi College was founded in 1517. Unusually, it was founded to advance humanist education which was forward looking at the time and the College continues to be forward looking in its outlook and strategy. The College's endowment of £200m plays a fundamental part in its educational mission 500 years after foundation and subsidises the College in all aspects of its vibrant daily life. Corpus is committed to responsibility in its endowment investments and is working to reduce its carbon footprint and wider impact on the environment.

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