

# IMPERIAL



**Making your  
gift go further**

An introduction to the  
Imperial Endowment

The Imperial Endowment is the university's investment fund: a source of capital that can be used to advance Imperial's mission and to safeguard the university's future for generations to come. With an endowed gift, you create a long-term source of support for the priorities that matter to you most. Careful management of your gift ensures that it continues to support research and education that benefits humanity not just for the present, but in perpetuity.



# Imperial's Endowment

**The Imperial Endowment provides the capital base to support Imperial's academic mission in perpetuity.**

**The Endowment was established in its current form in August 2007, with founding capital of £69.3 million. Since its inception, the Endowment has grown to more than £595m<sup>1</sup> through generous donations and the effective stewardship of the university's investment assets.**

1. Correct as of 31 July 2024

## What is an endowed gift?

Donors can choose whether their gift is endowed or expendable. An expendable gift is one that is spent immediately to realise the donor's philanthropic intentions. The gift can be large or small, but it has a defined lifetime. For example, a gift of £70,000 would support a three-year scholarship, with the donation spent in full over that three-year period.

With an endowed gift, by contrast, the original gift (the 'principal') is invested so that it continues to pay out a regular sum (a 'distribution') over a much longer period and often in perpetuity. This distribution is then used to achieve the donor's philanthropic objectives, as specified in the deed of trust that is used to create their endowment gift. For example, an endowed donation of £575,000 generates an annual return that will support a scholarship not just over three years, but forever.

The special value of an endowed gift is in its longevity. With effective management, an endowed gift lasts in perpetuity. The principal grows over the years so that it, and the distribution it pays out, not only retains value in real terms, but can also increase in excess of inflation. In other words, the distribution provides an equivalent level of support after fifty years as it does after five, rising to match, or exceed, inflation over the long term. An endowed gift is, in essence, a gift that keeps on giving.

## Case study: fuelling air pollution research

An endowed gift from Humphrey Battcock established the Battcock Chair in Community Health and Policy, enabling Imperial to appoint Professor Frank Kelly, one of the world's leading air pollution researchers, as its inaugural holder. Thanks to this endowed donation, the post exists in perpetuity, ensuring a sustained focus on air pollution research. With research spanning from environmental research to science policies, Professor Kelly's group is leading on air quality research and delivering solutions to minimise the effects of pollution on public health.



Professor Frank Kelly is a world-leading researcher and distinguished scholar in the air pollution research field. His team has conducted significant work around the issue of air pollution and health, including shaping London's pathbreaking congestion charge schemes, contributing to lower emissions estimated at 30%.



# Our core commitment: stewarding each gift for the long term

## Our approach

In managing the Endowment, the university places long-term growth at the heart of its approach. This ensures that the value of endowed donations is preserved over time, and that the scheme provides reliable, secure funding for Imperial's scholars, researchers and students.

"It is a privilege to lead Imperial's Endowment Board. The Endowment plays a key part in enabling Imperial to continue being a force for good in the world, through transformative science and a strong pipeline of STEM talent that benefits humanity. Stewarding these donations is a responsibility the Board and I take very seriously. Our team works to ensure that Imperial continues to deliver groundbreaking research and excellent opportunities to the most talented students for generations to come."

Vindi Banga,  
Interim Chair of the Endowment Board,  
Chair of Council

## Investment philosophy

The Endowment Board has set a performance return of at least CPI+5% over a rolling ten-year period. This inflation-linked target is designed to preserve the underlying value of any endowed gift whilst providing the capacity to support an annual distribution.

# £24.5m

Distributed in the 2023-24 financial year

# £157m

Distributed over the last decade

## Distributions

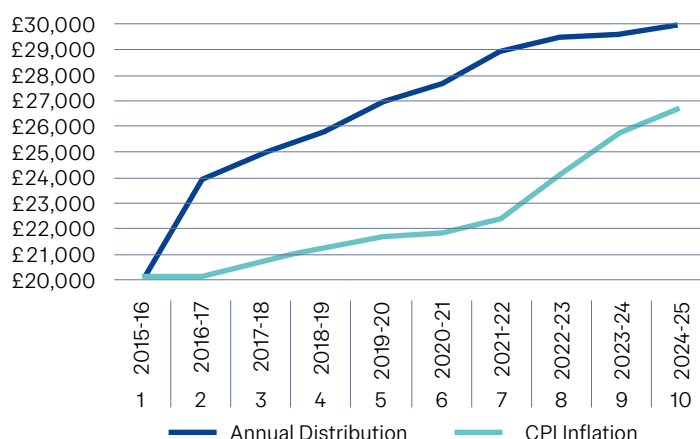
The Endowment distributes approximately 4% of invested funds annually, which can be used to support the philanthropic objectives of an endowed gift. Thanks to the Endowment's investment and distribution policies, this amount is protected from the short-term volatility that might occur on a year-by-year basis. This means that students and researchers can be confident in the funding available annually, enabling them to focus on developing world-class science.

Over the last decade, the Endowment has distributed £157m to beneficiaries, including £24.5m in the 2023-24 financial year. Amidst a challenging economic environment over the last two years, it is a significant achievement that the real value of each distribution has been maintained. This has provided security to beneficiaries as many areas of university and research funding have become strained across the sector.

## Protecting real-terms value

Effective management ensures that endowed gifts retain or increase their value over the long term. For example, ten years ago, a full scholarship for a UK undergraduate student to study at Imperial would be worth approximately £20,000 annually. This could be funded via the distributions from an endowed gift, with an initial investment of £500,000. Each year, the value of the invested amount would grow in line with investment performance, as well as the scholarship amount. Based on actual performance over the last 10 years, the annual scholarship would be worth £30,000 in today's money.

Example of how annual distributions can fund a scholarship over 10 years



# Governance and asset allocation

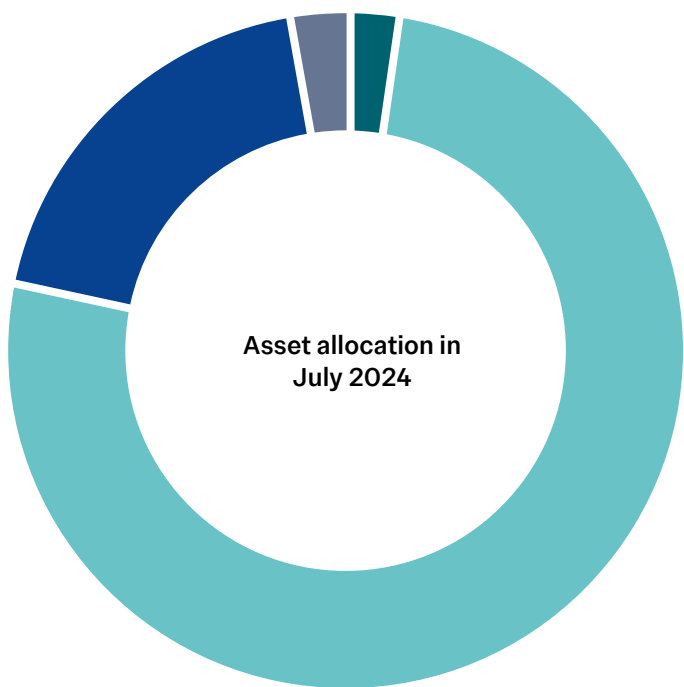
## Asset allocation

The Endowment Board sets a strategic asset allocation, which provides a strong foundation to deliver the investment target, as well as permitting a good level of short-term flexibility. The asset allocation is monitored regularly and is varied when appropriate.

Around three-quarters of the Endowment is invested in public equities, with two external fund managers, Evelyn Partners and Cazenove, managing the majority of this allocation. Over the last ten years, the performance return of the Endowment has been driven by these investments, delivering an 8% annualised return.

A portion of the portfolio is invested in real estate assets managed directly by the university's investment team, consolidated in West London. This is an illiquid part of the portfolio with significant development potential, with the in-house team focusing on masterplanning and site optimisation activity.

In 2021, the Endowment Board approved a revised strategic allocation to private equity, which is currently in the early stages of implementation.



## Governance

The Endowment Board monitors the development and implementation of the investment strategy and reports directly to Council.

### Endowment Board members

- **Vindi Banga**  
(Managing Partner, Clayton Dubilier & Rice  
Interim Chair of the Endowment Board,  
Imperial College London)
- **Anastasia Shiach**  
(Executive Director, Goldman Sachs)
- **Annabel Rudebeck**  
(Head of Non-US Credit, Western Asset Management)
- **James Seppala**  
(Head of Real Estate Europe, Blackstone)
- **Lisha Patel**  
(Managing Partner, Wellcome Trust)
- **Subhanu Saxena**  
(Managing Partner, New Rhein Healthcare)
- **Professor Hugh Brady**  
(President, Imperial College London)
- **Robert Kerse**  
(Chief Operating Officer, Imperial College London)

# Responsible investing

As a world-leading academic institution, Imperial recognises its responsibility and capability to drive positive change. We use our convening power to build partnerships through research, teaching and innovation activities across the world. We collaborate with research partners, governments and like-minded investors, which is vital to harnessing innovation and growing the business internationally.

Our responsible investment approach allows us to align our invested capital with this mission too.

Our Socially Responsible Investment (SRI) Policy commits Imperial to ensure that any investment decisions take into account the same social, environmental and governance concerns as the university. No investments are permitted in tobacco, illegal munitions manufacturing or in thermal coal and tar sand extraction.

Our approach to energy investments is aligned with our approach to research and education partnerships. Engagement at this level is our most impactful tool in the transition to a sustainable and lower-carbon future, and Imperial expects to disengage from energy industry companies where it has exhausted all possibilities for influence.

We publish our holdings on a quarterly basis, ensuring transparency and accountability in our investment practices.

*Signatory of:*



Professor Mireille Toledano holds the Mohn Chair in Population Child Health, an endowed post established through the generous support of Imperial alumna Dame Marit Mohn (MSc Chemical Engineering and Chemical Technology 1973).





# Your gift, your choice

**When making an endowed gift, you can choose where to direct your support. From establishing academic posts to supporting scholarship programmes, endowed giving is a way to drive progress in an area that you feel passionately about.**

## Your gift, your choice

An endowed gift can support a wide range of philanthropic purposes. Perhaps you'll fund 'blue-skies' research, allowing our teams to explore promising new ideas that may be too early for traditional funders but could drive future breakthroughs. Or you might establish an academic chair, ensuring long-term leadership in tackling global challenges. Alternatively, you could create a scholarship, offering world-class educational opportunities to students for generations. You may also choose to make an unrestricted gift, where the distribution can be allocated by the President to address the greatest needs.

There are also options for structuring an endowed gift. Your donation could take the form of an upfront sum, or you may choose to give over an extended period, building up the principal before distributions begin. Most endowed gifts are made to endure in perpetuity, but there are alternative 'expendable endowment' models, or the option to make a gift combining an expendable and an endowed element. We would be happy to talk you through the various options and develop a bespoke model based on how you would like your donation to be used and what you would like it to support. Once you decide to make a gift, we will work with you to draw up formal gift documentation so that your wishes are captured correctly.

## Celebrating your generosity

Endowment giving has impact over the long term and we are grateful to all those who choose to support Imperial in this way. We work with each donor to understand how they would like to be kept involved, whether through regular reports on the impact of their gift, or by meeting those who have benefited from their generosity. While some donors prefer to give discreetly, we welcome the opportunity to publicly celebrate your philanthropy, through naming of an academic post or scholarship, or in a news story on the university website.



### Case study: Supporting the next generation of clinical academics

An endowed gift from the Hong Kong-based Lees Charitable Foundation is helping nurture the next generation of clinical academics: healthcare professionals who combine patient care with research. The Foundation's donation established The Lee Family – Faculty of Medicine Scholarships, an endowed programme that funds one full fellowship every two years, in perpetuity, enabling talented medical graduates to join Imperial's prestigious clinical-academic training programme.



Xun Yuan is a recipient of the Lee Family Scholarship, researching heart disease diagnosis and treatments at the National Heart and Lung Institute.



**Advancement**

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