INVESTMENT POLICY

Approved by the Board of Governors with effect from 23 June 2026

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1. Overview

1.1 Our investment policy is to hold a diversified global portfolio of investments across a range of asset classes as permitted by Schedule C of Wellcome's Constitution (attached at Appendix A). The portfolio is managed by the Investment Executive, advised and overseen by the Investment Committee, under delegated authority from the Board of Governors. It is constructed to maximise the probability of attaining a level of return that at least preserves the long-term real value of our assets. We aim to do this while providing funds to meet spending requirements, minimising the risk of permanent loss of capital, and maintaining good stewardship over assets in the portfolio.

1.2 We seek to triangulate risk, return, and spend to observe a proper balance between the need to meet present demands on our resources and the need to allow for future demands.

1.3 This policy is predicated on the continuation of the current high levels of transparency about investment decisions taken and planned within the portfolio.

2. Investment Philosophy – Maximising Return

2.1 Several core investment beliefs drive asset allocation in the deliberate absence of any pre-determined strategic asset allocation benchmark:

2.1.1 To meet our objective of meeting spending requirements while preserving the real value of the endowment, we seek to maximise returns from global economic activity through a broadly diversified portfolio with no innate geographic bias.

2.1.2 We seek to use the advantages of our long-term investment horizon, our ability to tolerate short-term volatility, our AAA balance sheet, and our governance structure.

2.1.3 The best returns will be driven by combining aligned partnership with the strongest external managers with direct ownership of assets. However, we generally seek to minimise operational responsibility for directly owned assets.

2.1.4 We are flexible as to the nature of the vehicles in which we invest. However, we will not invest in structures or assets which create potential unlimited financial liability or significant adverse operational, reputational, or legal liability. We invest in line with Wellcome's group tax strategy.

2.1.5 We run a single portfolio and a single investment culture and will judge and remunerate success or failure principally on the ability of the total portfolio to deliver real returns that deliver cash flows to fund the charitable mission. We may create or invest in structures which create stakeholder accountability to partners, bondholders or co-shareholders but will avoid the creation of client relationships.

3. Investment Philosophy – Mitigating Risks

3.1 Given Wellcome's desire to exist in perpetuity, the absence of new contributions and our complete dependence on the investment portfolio to fund our charitable mission, we recognise and seek to mitigate three key long-term threats:

3.1.1 Excessive concentration in a single asset poses a significant threat should the value of the asset be permanently impaired or destroyed. Hence, we will normally not invest more than 6% of the gross value of the portfolio in a single asset or manager strategy (excluding cash and derivatives but including holdings by third party discretionary long only equity managers). Holdings above 3% of the gross value of the portfolio in a single asset or manager strategy will be subject to review by the Investment Committee. For this purpose, we do include holdings by third party managers that are held in our name (i.e. segregated accounts managed by discretionary managers), but do not include those that are not held in our name (e.g. pooled funds and ETFs).

3.1.2 Although investments in funds or products provided by manager groups across different strategies are often diversified, there remain residual risks from fraud, cybersecurity and other factors that may be common to different strategies. We will therefore not invest more than 10% of the gross value of the portfolio in strategies or products managed by a single group. Internally managed portfolios are not subject to this test. Holdings above 7.5% of the gross value of the portfolio in strategies or products managed by a single group will be subject to review by the Investment Committee.

3.1.3 The only exceptions to the limits in sections 3.1.1 and 3.1.2 are for cash managers, provided that the cash deposits they place are held in the name of The Wellcome Trust Limited and placed out to counterparty banks and financial institutions in accordance with each cash manager's approved counterparty framework, as agreed with the Investment Executive.

3.1.4 The forced disposal of assets at distressed prices in adverse financial markets to provide the liquidity required to fund committed charitable and operational spend can significantly impact long-term value. Hence, liquidity is managed to ensure that current cash and bond holdings remain above 3% of gross assets and future cash flows are carefully forecast. In addition, the Investment Executive seeks to ensure that the cash balance within the five-year forecast period remains at or above 2% of the gross value of the total portfolio.

3.1.5 Inflation can significantly impact real long-term purchasing power. Hence, most of the portfolio is invested in assets where cash flows are expected to exhibit some protection against inflation. These may include private or public corporate equity, real estate, and infrastructure.

4. Investment Governance

Role of the Board of Governors on investment matters

4.1 The Board of Governors (the “Board”) has legal responsibility for all decisions made by Wellcome, including investment decisions. In practice and for operational efficiency, the majority of these decisions are delegated to committees (as included in their terms of reference), individuals (including the Investment Executive), and the Executive Committee.

4.2 The Board has agreed that it should retain decision-making rights for certain matters impacting Wellcome’s investments listed below, unless they have been otherwise delegated to an individual or committee.

4.2.1 Approval of Wellcome’s funding and operating budgets and any material change to them.

4.2.2 Approval of Wellcome's Investment Policy including, but not limited to, the investment strategy and policies, investment return objectives, acceptable investment risk tolerances consistent with the return objectives and asset allocation policy, broad asset management arrangements including limit on percentage of portfolio managed internally, broad corporate governance, engagement and social responsibility approaches including sectoral or other exclusions, and arrangements for safekeeping of assets.

4.2.3 Monetary limits and terms of delegated authorities to the Investment Executive and other senior members of the Investment Team (see Appendix C).

4.2.4 Approval of investment decisions falling outside the Investment Policy or outside the limits of the delegated authority of a Committee of the Board or any individual(s).

4.2.5 Approval of the terms of reference of the Investment Committee, and of any changes to its membership.

4.2.6 Oversight of Wellcome's investment activities, by monitoring regular reports from relevant committees, executive staff, and with support from the Investment Committee.

Role of the Investment Committee

4.3 The Standard Terms of Reference and Procedures for the Investment Committee are set out in Appendix B.

4.4 The Investment Committee's role is to act as an oversight and advisory body on investment matters. It may veto any proposed investment that it is asked to consider, but it is not empowered to authorise specific investment transactions. In particular, its role is set out in the Terms of Reference included in Appendix B.

5. Investment Policy Implementation

Risk, returns and spend

5.1 As outlined in paragraph 1.1, our policy is to hold a diversified global portfolio which seeks to maximise the probability of attaining a level of return that at least preserves the long-term real value of assets after expenditure. This aim is encapsulated in a target annual long-term return of at least 4.0% above the simple average of US and UK CPI inflation. This target is reviewed by the Board annually.

5.2 The Board sets the risk framework that maximises the probability of meeting the return target while providing liquidity to meet spending requirements. Wellcome's accounts are presented in Sterling. However, the assessment of investment performance will be calculated using the simple average of nominal returns in US$ and Sterling, deflated by the simple average of US CPI (in $) and UK CPI (in £).

5.3 Our risk framework is not based solely on quantitative risk limits but is embedded in the holistic consideration of portfolio construction by the Investment Executive. In addition, the Risk and Performance Team independently monitor and review key risk factors and present the results of their work to the Investment Committee and to the Board from time to time. The key risk factors are amended as appropriate.

5.4 The following matters will be highlighted to the Investment Committee by the Risk and Performance Team in regular risk reports:

5.4.1 Low point for base case forecast cash levels. A forecast level of unencumbered cash should not normally be below 2% of gross assets at any point within the forecast 5-year period.

5.4.2 Current cash levels. Current cash and bond holdings should be maintained at or above 3% of gross assets to ensure adequate near-term liquidity.

5.4.3 Excessive concentration. Holdings above 3% in an individual asset or manager strategy, and holdings above 7.5% in strategies or products managed by a single group.

5.4.4 Asset class exposure. Adherence to the asset class ranges in Appendix D.

5.4.5 Derivative exposure. Exceptions to the guideline derivative limits contained in Appendix E.

5.4.6 Direct investments. Adherence to the 60% limit for direct investments.

5.4.7 Borrowing limits. Adherence to the 8% borrowing limit.

5.4.8 Relevant reallocation. Confirmation that combined active decisions taken under delegated authority levels 2, 3, 4, 5, and 6 over the previous financial quarter have not resulted in an increase or decrease in exposure to any of the asset classes in Appendix D of more than 5% of gross assets.

5.5 Other risks considered by the Investment Executive and discussed with the Investment Committee from time to time include individual assets where risk of permanent loss of capital is higher than normal (highlighted through the Top 100 assets framework), counterparty risks, currency exposure, valuation risks, inflation, team and succession planning issues, reputational risks, licence to operate risk, operational and systems issues and disaster scenarios.

5.6 The minutes of the Investment Committee are circulated to the Board and the Board is provided with regular risk reports.

5.7 Wellcome has a planning assumption of spending £16 billion over the ten years to 2032. The portfolio therefore needs to accommodate rising levels of expenditure to meet the planning assumption, based on £1.6 billion average annual expenditure over this decade.

Use of asset classes

5.8 The portfolio may be invested across a broad range of asset classes, as outlined in Schedule C of our Constitution.

5.9 The investment strategy is not constrained by:

5.9.1 Use of a strategic asset allocation benchmark. As outlined in paragraph 1.1, we hold a diversified global portfolio of investments across a range of asset classes, which are established in Appendix D. This strategy aligns investment portfolio allocation with investment objectives, provides a competitive framework in which to judge individual investments and ensures attention is paid to asset class and to individual investment returns.

5.9.2 The nature of the anticipated return from the investment. We invest on a total cash flow return basis where cash flows for charitable expenditure are derived from asset sales, fund redemptions, private fund distributions and from income in the form of interest, dividends, and rents.

5.9.3 The fact that particular assets may be more volatile and illiquid in the short term, although these factors will be taken into account when choosing between investments.

5.9.4 The absence of an appropriate benchmark for an asset class.

5.9.5 Any particular geographic bias. The currency strategy is set out in paragraphs 5.18-5.19.

5.10 The following considerations and principles guide the choice of investment assets:

5.10.1 The Investment Committee and the Board set ranges for the capital allocated to broad asset classes. The Board determines these ranges to satisfy itself that sufficient attention has been paid to asset class and economic risk. The Investment Committee typically recommends the ranges and reviews the actual weightings within the ranges. The current asset class ranges are defined and described in Appendix D.

5.10.2 We manage liquidity requirements through appropriate holdings in cash and very liquid assets and through the preparation and review of appropriate liquidity forecasts.

5.10.3 The use of some assets or asset classes may in practice be restricted by UK charity or trust law, or by UK or overseas tax legislation relating to charities and their investments.

5.10.4 We generally seek to minimise operational responsibility for assets. Where we have controlling stakes in operating businesses, we will ensure that competent executive management teams are in place or that management of the business is outsourced and will exercise strategic control through board representation. These businesses are run commercially but we expect them to be conscious of Wellcome's values.

Asset management arrangements

5.11 The Board determines the broad structure of its asset management arrangements, with responsibility for implementation delegated to the Investment Executive and reviewed by the Investment Committee.

5.12 Many assets are managed by external managers. We are generally flexible as to the nature of the vehicles in which we invest. We have confidence that, in many areas of investment, active management (where managers make active decisions rather than manage passively against an index benchmark) can enhance returns after the payment of fees and select managers accordingly.

5.13 The Board has also agreed that the directly held element of the investment portfolio (including the notional value of futures contracts and passive index instruments such as exchange-traded funds, but excluding cash and foreign exchange hedging) may constitute up to 60% of the gross value of investment assets.

This can offer a range of potential advantages:

5.13.1 Reducing innate biases of the portfolio that arise from the choices of our external managers.

5.13.2 Reducing turnover and investment costs.

5.13.3 Managing the portfolio's liquidity profile.

5.13.4 Taking advantage of individual investment opportunities that arise, especially those suitable for our long-term investment horizon or other advantages.

5.13.5 Permitting greater control over our investment strategy.

Mega-cap equities are likely to be the major constituent of the directly held public portfolio, but it may also include shares quoted on any recognised stock exchange in both developed and emerging markets.

Private assets will include shares in private companies and wholly owned properties, together with all other non-public directly held assets. Direct investments in private companies must only be made alongside a trusted partner unless a proposed exception has first been notified to the Investment Committee.

Monitoring of risk

5.14 At the overall portfolio level, risk is managed through a process whereby expectations about the assets and securities held are combined to forecast the liquidity profile of the total portfolio. Scenario tests are used to examine the potential impact of extreme market conditions. On a quarterly basis, investment outcomes and risk levels and exposures are reviewed by the Investment Committee in detail and if necessary, by the Board.

Use of derivatives

5.15 We may use futures, options, and other derivatives as part of our investment activities to enhance returns and to manage risks. We do not trade in derivatives. We do not take on unlimited liabilities in accordance with paragraph 3(1) of Schedule C of our Constitution – we only enter into shorting transactions for risk reduction purposes and only if (a) there is a high correlation between the underlying assets and the derivative, and/or (b) there is a matching/ancillary investment that limits the potential liability. Guideline limits on the use of derivatives are in Appendix E. Exceptions to these guideline limits will be highlighted to the Investment Committee.

5.16 Discretionary long-only managers who invest on our behalf may use derivatives only within the framework described in 5.15 and provided further that the assets managed on our behalf by the manager in question are sufficient to fully back the derivatives in cash or (as applicable) with the required assets.

5.17 Other managers, who manage money through fund structures, make use of short positions and derivatives as part of their own strategy. The nature of these structures limits our control of, and liability for, these activities.

Currency hedging

5.18 Performance is measured in our base currencies of Sterling, US$ and in a 50:50 blend. Exposures to other currencies will be created by a combination of underlying assets' currency denomination and currency forward and derivative positions. Hedging into base currencies, or return seeking positions into other currencies, may

be undertaken with reference to the guideline limits on derivative exposure laid out in Appendix E.

5.19 It is not always possible to identify the currency exposure of each underlying asset. For example, the value of a UK listed global company, although quoted in Sterling, is influenced by the multi-currency nature of its global revenues. Similarly, a hedge fund, whose units are denominated in US$, may actually be most active in European markets. Accordingly, excessive attempts at precision may be misleading.

Borrowings

5.20 Discretionary long-only managers are not permitted to use borrowings to leverage returns. Leverage is permitted in other funds, partnerships, and businesses in which we invest, although we are generally reluctant to invest in market strategies where leverage comprises a major component of returns.

5.21 We periodically issue unsecured debt. Each debt issue is specifically approved by the Board or by a Bond Issuance Committee of the Board established for this purpose.

5.22 The total size of issuance is limited by our intention to maintain our AAA/Aaa credit rating. We are willing to issue fixed interest, floating rate, or limited price indexation bonds and to use physical, forward and option instruments to modify exposure. Proceeds from bond issues may be hypothecated to specific purposes as determined at the time.

5.23 In order to maintain a AAA/Aaa credit rating, the level of borrowing is currently limited to 8% of the gross value of investment assets based on the notional value of the bonds.

Corporate Governance

5.24 Broad corporate governance, engagement and social responsibility approaches are determined by the Boardand implemented by the Investment Executive with oversight from the Investment Committee. Our general approach and individual issues are discussed with companies and managers as appropriate. It is currently our policy not to allow direct investment in companies that derive material turnover or profit from tobacco or tobacco related products, including e-cigarettes and heated tobacco. For these purposes, a company is treated as deriving material turnover from tobacco (including vaping) related products or services if it is classified under GICS code Tobacco, or, where no GICS classification is available, if a majority of its revenues (based on its most recent annual financial report and accounts available to Wellcome) are derived from the production or supply of tobacco or vaping related products or services.

5.25 It is our normal policy to vote at company meetings and to engage actively with senior management in companies in which we have direct holdings to ensure that long-term investment, sustainability, risk, and governance issues are appropriately highlighted. We do not subscribe to a view of rule-based governance. While good governance includes a focus on risk, engagement is designed to assist management in building long-term franchises to enhance returns.

5.26 We have made a commitment for our investment portfolio to reach carbon net zero by 2050 at the latest. To that end, decarbonization forms an important part of our engagement with management teams across all asset classes in which we invest.

Creation of new entities

5.27 When the implementation of investment decisions requires the creation of a subsidiary, excluding entities created within Wellcome's operating businesses, which are governed separately, the decision to create that entity needs to be approved by a Co-Chief Investment Officer of the Investment Team, Wellcome's Chief Legal Officer and the Chief Finance Officer. This authority was delegated under the exception to the Schedule of Matters Reserved to the Board.

6. Role of the Investment Executive

6.1 The Board has given a broad delegation of operational responsibility for the investment portfolio to the Investment Executive, whilst retaining overall responsibility for its strategic direction. The Investment Executive is currently comprised of Co-Chief Investment Officers of the Investment Team. The Investment Executive is accountable for all of Wellcome's investment activities. It is understood that, whilst broad investment powers have been delegated to the Investment Executive, the investment process also relies upon the supporting work by the Investment Principals and the Investment Team as a whole.

6.2 Without limiting that general authority, the following specific matters form part of the role of the Investment Executive under delegated authority from the Board, to be conducted in accordance with the terms of this policy:

6.2.1 to facilitate the provision of proper expert advice to the Board.

6.2.2 to make asset allocations within the asset class ranges approved by the Board.

6.2.3 to allocate funds between individual managers, fund groups or assets.

6.2.4 to appoint new investment managers, brokers, managing agents and investment funds.

6.2.5 to terminate the contracts of existing managers, brokers, managing agents and investment funds.

6.2.6 to negotiate and agree investment manager, broker and managing agent terms and conditions, including fees, and to monitor, review and control relationships with investment managers, brokers and managing agents.

6.2.7 to negotiate and agree custodian and third-party service providers specific to the investment portfolio, including but not limited to consultants' and lawyers' terms and conditions, including fees, and to monitor, review and control these relationships.

6.2.8 to purchase and sell investment assets.

6.2.9 to recommend the level of resources that should be deployed to manage and monitor the investments.

6.2.10 to ensure the investments meet the cash flow requirements of Wellcome's spending.

6.2.11 to take decisions on individual investment transactions and Investment Team operational matters.

6.3 The Board has approved a delegation of authority as set out in the Investment Team Delegated Authority to Individuals (see Appendix C).

Organisation of Investment Team

6.4 The internal management structure of the Investment Team currently consists of a portfolio management team and an investment data and operations team. An independent Risk and Performance team reports to Wellcome's Chief Operating Officer.

Portfolio Management Team

6.5 The portfolio management team is responsible for monitoring existing investments, making proposals regarding the purchase or disposal of investments, executing transactions, ensuring best practice in relation to external advice, due diligence, and reporting and providing information regarding market developments.

6.6 Each member of the portfolio management team will typically have a number of remits, reflecting industry or theme specialisations as well as asset classes. From time to time, the formal organisational structure and the nature and nomenclature of these teams may be amended to reflect different priorities.

Investment Data and Operations Team

6.7 A separate team is responsible for operations, including the safe custody of our assets and the smooth operation of administrative, banking and portfolio management functions. The team is overseen by the Operations Director, Investments and liaises with the portfolio management team, with our Finance, Tax and Legal teams, and with external groups, including custodians and managers.

6.8 To ensure the safekeeping of our assets, we have placed all our quoted securities in custody with a global custodian bank or with a national securities depository. The global custodian is responsible for custody, settlement, and safekeeping. The global custodian also provides unified reporting on the quoted securities portfolio to meet statutory reporting requirements. The relationship with the global custodian is governed by a legal agreement and the service provided is kept under constant review, with regular formal meetings. The custody contract will be reviewed every three years to ensure we are receiving the best -in -class service at market rates. The most recent renewal was in September 2024.

Investment Risk and Performance

6.9 The importance of risk management for our assets has been recognized in the creation of an independent team, reporting to Wellcome's Chief Operating Officer, to provide second line risk oversight. This team is responsible for creating, maintaining, and monitoring risk and performance reports and plays a proactive role in the management of risk in all or part of the investment portfolio with both internal and external parties. The performance of the portfolio as a whole and of the underlying portfolios is calculated by an independent, third -party specialist service provider. The Operations Director, Investments, Head of Risk and Wellcome's Chief Finance Officer also report to the Audit and Risk Committee to ensure oversight and proper review of investment and operational processes. Further oversight is provided by Wellcome's Internal Audit Team.

Finance, Tax and Legal

6.10 The Investment Team is supported by members of the Finance, Tax, and Legal teams. These individuals liaise closely with the relevant members of the Investment Team responsible for each investment transaction to help themoptimise tax treatment, comply with legal requirements and generally mitigate tax and legal risk without adversely impacting returns.

Investment Decisions

6.11 Each investment decision is approved by a Co-Chief Investment Officer or a senior member of the Investment Team under delegated authority. This provides the ability to make rapid decisions where this is necessary and appropriate.

6.12 Investment decisions relating to the formulation of investment strategies for publicly traded assets, fund or manager commitments or redemptions and the purchase of direct private assets are generally discussed at length at a regular meeting of the portfolio management team, chaired by one of the Co-Chief Investment Officers. This process helps to create a deeper investment culture across the team, promotes understanding and ownership of the whole portfolio and provides a forum for constructive discussion and challenge. Investment ideas are forced to compete in the context of the whole portfolio based on return, risk, liquidity and control characteristics, and portfolio risk can be managed more effectively.

6.13 Other decisions are typically made outside the regular investment meeting by a member of the Investment Team with suitable levels of delegated authority and will be communicated as appropriate. These may include but are not limited to decisions to implement an approved strategy (such as decisions to buy and sell individual stocks or options), co-investments alongside trusted partners, decisions relating to foreign exchange (FX) or cash positions or individual contracts relating to real estate, operating companies or infrastructure.

6.14 Under our Constitution, there is a need to take proper investment advice before making any investment and it is the responsibility of the Investment Executive to ensure proper investment advice is taken. Proper advice is the advice of a person or institution that is reasonably believed to be qualified by his, her or its expertise of the relevant matter, and may be given by one of Wellcome's employees.

Managing and monitoring of investments

6.15 Thorough due diligence is undertaken before the appointment of any manager and managers' performance, strategy and organisation are closely monitored once they have been awarded a mandate. Documentation with external managers sets out any constraints on the mandate; outlines the investment powers; sets out the manager's responsibilities in every area of portfolio management; documents fee arrangements; and in the case of public equity mandates, sets out return objectives.

6.16 The performance of the individual managers and the risk characteristics of their portfolios are reviewed regularly by the Investment Team and any appropriate actions taken. The portfolio management team receives monthly or quarterly formal reports from each external manager and holds regular meetings with them.

6.17 Responsibility for coverage of each direct public or private investment is allocated to an individual as part of their asset, industry sector or theme responsibilities. The individual is responsible for the coverage of the asset, the analysis of its operations and valuation, licence to operate considerations, recommendations regarding the size

of our exposure, risks and return targets. These direct investments are reviewed regularly by the Investment Executive and performance is reported to the Investment Committee.

6.18 Compliance and regulatory reporting functions are performed in conjunction with the Legal, Tax and Investment Risk and Performance teams.

Management fees

6.19 We incur considerable management fees. The Investment Executive actively seeks to ensure that any fees paid to third parties create added value.

7. Administration of the policy

Dissemination of the policy

7.1 This policy (without the Appendices) will be available on our website.

Review

7.2 Our Constitution requires that we review our investment policy at regular intervals. This policy will be reviewed by the Investment Committee and the Board at least every 3 years.