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## **INVESTMENT COMMITTEE TERMS OF REFERENCE**

Approved by the Board of Governors - April 24, 2007

Revision approved by the Executive Committee - June 28, 2007  
(with commencement following the 2007 Annual Meeting)

Revision approved by the Board of Governors - November 28, 2007

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### **STATUS**

The Investment Committee is a Standing Committee of the Board of Governors. The Committee is a decision-making body to the extent that the Board grants it authority for specific matters.

### **REPORTING**

The Committee reports directly to the Board. The Investment Committee shall provide a report of its activities at the Annual Meeting of the Board of Governors. In the role of Executive Committee member, the Investment Committee Chair also provides regular reports to the Executive Committee of the Board.

### **COMPOSITION**

The Committee will consist of 7 voting members appointed annually by the Board as follows:

- 3 Governors – one to be appointed as Committee Chair
- VP Finance
- 3 Members of the General Public – with investment experience

The Chair of the Board of Governors, President, and Director, Financial Services, may also attend all meetings (non-voting).

The Manager, Treasury, will provide staff support to the Committee.

### **PURPOSE**

The Committee shall provide advice and recommendations to the Finance Committee on investment matters related to the University's funds (the "Funds").

### **RESPONSIBILITIES**

The Committee shall

- establish the investment policy with respect to the Funds, which shall address the following issues:
  - Fund objectives, spending policy and risk parameters
  - asset allocation policies
  - diversification policy including aggregate and individual investment limits

- investment guidelines and quality standards
- investment manager selection and termination policies
- asset management policies
- Fund and manager performance monitoring policy
- conflict of interest policy
- derivatives policy
- policy on proxies and exercise of ownership rights
- the basis for the valuation of any assets that are not regularly traded
- implement the investment policy
- develop investment manager mandates
- establish the underlying investment beliefs or assumptions with which the investment policy shall be consistent
- consider, on a regular basis, trends or emerging factors which may have an impact on the investments or the investment policy

#### **DELEGATION OF DECISION-MAKING AUTHORITY AND OVERSIGHT RESPONSIBILITY**

The Board delegates to the Investment Committee the following specific responsibilities:

- a. selecting and terminating of investment managers and advisors
- b. providing regular oversight of the investment functions and monitoring all investment related items that are the responsibility of the Board, but with greater frequency and at a greater level of detail, including:
  - compliance with the terms of reference
  - appropriateness of the investment policy
  - compliance with the investment policy
  - value added by such policies of the Funds as:
    - asset allocation
    - rebalancing or tactical asset allocation
    - active and/or passive management
    - manager structure
  - cost effectiveness of the investment program
  - processes and implementation of policy by staff
- c. reviewing at least every three years, the continued validity of the Funds' basic investment beliefs and assumptions

#### **QUORUM AND MEETINGS**

The Chair is included in the count. A majority of members is considered a quorum. The Chair, not less than four times per year, calls meetings. The Committee may establish its own operational procedures. The Investment Committee shall keep minutes of its meetings, in which shall be recorded all actions taken by it.