



## BOARD INVESTMENT COMMITTEE Terms of Reference

### 1. AUTHORITY

- (a) The Board Investment Committee (the "Committee") is created by and is responsible to the Board of Governors (the "Board") of the University of Alberta (the "University").
- (b) The Vice-President (Finance and Administration) shall provide management support to the Committee.
- (c) The Office of the Vice-President (Finance and Administration) shall provide administrative support to the Committee.
- (d) The Committee shall function in accordance with the Board's General Committee Terms of Reference.

### 2. COMPOSITION OF COMMITTEE

- a) Voting Members appointed by the Board (ordinarily a maximum of 13 voting members)
  - (1) Two Board members from the membership categories identified by the *Alberta Post-Secondary Learning Act (the Act)* as *general public, alumni* and *Senate* subject to 2 (c) below
  - (2) Three to eight members of the general public
  - (3) The Board Chair, by virtue of office
  - (4) The President and Vice-Chancellor, by virtue of office
  - (5) The Chancellor, by virtue of office
- b) Non-Voting Officials appointed by the President
  - (1) Vice-President (Finance and Administration)
  - (2) University Secretary
  - (3) Committee Secretary
  - (4) Other officers, as determined by the President
- c) No member of the staff (academic or non-academic) nor any student of the University shall sit as a member of the Committee.
- d) The Board of Governors shall appoint the Committee Chair from the Committee membership category 2(a)(1) or 2(a)(2), upon the recommendation of the Board Chair.
- e) The Committee shall designate the Vice-Chair from the Committee membership upon the recommendation of the Board Chair and the Committee Chair. The Vice-Chair undertakes and discharges all duties of the Chair in the absence of the Chair.
- f) A skills/competency matrix of the membership will be maintained to assist the Board of Governors in the appointment of Voting Members.

### 3. MANDATE OF THE COMMITTEE

Except as provided in paragraph 4 and in the Board's General Committee Terms of Reference, the Committee shall monitor, evaluate and make decisions on behalf of the Board with respect to all investments, including both short-term and long-term investments ("Investments"). The Committee shall also consider such other matters delegated to the Committee by the Board.

Without limiting the generality of the foregoing the Committee shall:

- (a) assist the Board with all of its policy setting responsibilities related to Investments by reviewing and recommending the Endowment Objectives, the UEP Spending Policy (in matters that affect the Effective Rate of Spending), and the University Funds Investment Policy.

- (b) annually review and provide recommendations to the Board Audit Committee on the University's enterprise-wide risks and risk measures related to the Committee mandate.
- (c) annually review the Terms of Reference of the Committee and recommend to the Board any required changes.
- (d) annually provide advice to the President, through the Chair of the Investment Committee, with respect to the responsibilities and performance (in relation thereto) of those Vice-Presidents whose responsibilities are within the mandate of the Committee.
- (e) review and approve Investment Proposals for strategies in the University Funds Investment Policy that that in broad terms define the investment rationale, objective, asset class and/or strategy, and performance expectation.
- (f) establish and document the basic investment principles and beliefs held by the Committee.
- (g) review and monitor management's process for the appointment and termination of individual investment managers that underlie and support each Investment Proposal.
- (h) review the appointment and termination of the University's investment custodians and advisors.
- (i) monitor, at least quarterly, implementation and compliance with the Investment Policy.
- (j) monitor, at least quarterly, the performance of individual investment managers.
- (k) monitor, at least annually, the actual and expected risk-return profile of the investment program.
- (l) monitor, at least annually, the value added by specific elements of the Investment Policy.
- (m) review, at least annually, the continued appropriateness of the Investment Policy.
- (n) monitor, at least annually, the cost effectiveness of the investment program.
- (o) monitor, at least annually, staff's compliance with staff's terms of reference and the University's Conflict of Interest Policy.

4. LIMITATIONS ON DELEGATION BY THE BOARD

The general delegation of authority by the Board to the Committee shall be limited as set out in this paragraph. Notwithstanding the general delegation of authority to the Committee as set out in paragraph 3, the Committee shall bring to the Board for final approval:

- (a) the Investment Policies for the University, which shall include the establishment of broad risk tolerances, strategic asset allocation, asset class diversification, and quality standards.
- (b) the Endowment Objectives and Spending Policy of the University.

In addition, the Board may, with or without recommendations from the Committee, establish investment policy matters with respect to matters of social responsibility.

5. REPORTING TO THE BOARD

As provided in the Board's General Terms of Reference the Committee shall annually, and if necessary more frequently, report to the Board with respect to its activities and decisions.

Date	Decision-Maker	Decision
2009-03-27	Board of Governors	Original Approved
2010-09-14	Board Investment Committee	Approved / Recommendation to the Board
2011-02-11	Board of Governors	Approved
2011-09-26	Board Investment Committee	Approved / Recommendation to the Board
2011-10-21	Board of Governors	Approved
2013-06-04	Board Investment Committee	Approved / Recommendation to the Board
2013-06-21	Board of Governors	Approved
2014-09-30	Board Investment Committee	Approved / Recommendation to the Board
2014-10-24	Board of Governors	Approved
2015-09-29	Board Investment Committee	Approved / Recommendation to the Board
2015-10-16	Board of Governors	Approved
2016-09-20	Board Investment Committee	Minor Editorial Revisions