

**The University of Georgia Foundation**  
**INVESTMENT COMMITTEE CHARTER**

The Committee will obtain the Board of Trustees' approval of this Charter and review and reassess this Charter annually.

**I. Purpose of Committee**

The Investment Committee (the "Committee") is appointed by the Board of Trustees (the "Board") to assist the Board in fulfilling its fiduciary responsibility. While the ultimate fiduciary responsibility is with the Board of Trustees, the investment fiduciary responsibility is delegated to the Committee. A fiduciary is defined as someone acting in a position of trust on behalf of, or for the benefit of, a third party. The Committee is responsible for the general management of the investments and to preserve the Foundation's resources, including the endowment, in perpetuity. The Committee may delegate certain decisions to professional money managers, investment advisors and consultants, but even when decisions have been delegated to a professional, the investment committee can never fully abdicate their primary responsibilities.

**II. Committee Membership**

Members are appointed for one year terms commencing July 1. Due to the investment background which investment committee members should provide to the committee, it is not the intent that members should rotate off this committee during their term(s) as a trustee. Therefore, a member may be on the committee for eight years or for two four year terms as a trustee. The Chair of the Investment Committee is appointed by the Board Chair. The Chair of the Investment Committee must be a member of the Committee and may not serve longer than eight years or two consecutive four year terms as a trustee. A Vice-Chair will be appointed as successor to the Chair and to preside over the meeting in the absence of the Chair.

**III. Committee Authority and Responsibilities**

The Committee shall:

1. Determine investment goals and objectives based on the Board's tolerance for risk.
2. Establish a written investment policy consistent with the goals and objectives of the Organization. The policy should outline specific duties and requirements of the Board, the Committee, the investment consultant, the custodian, and the separate account manager(s) in the investment process toward accomplishing the performance desired.
3. Choose an appropriate asset allocation strategy which will allow the Foundation to honor current and future spending policies, maintain stability, and achieve long-term goals and objectives.

4. Secure outside professional counsel and communicate with them regarding expectations.
5. Select appropriate managers to implement the investment policy and provide specific performance criteria and objectives for each manager and/or fund.
6. Monitor each manager's performance relative to the objectives set forth in the investment policy, against their peers, and against an appropriate index.
7. Review the investment policy annually to determine whether there have been any material changes to the goals and objectives, or to the risk/return profile.
8. Review the custodian and depository activities of the Pool, including agreements with any banks for the temporary, short-term investment of cash and equivalents as necessary to assure that the Foundation is receiving competitive rates and services. These activities may be subject to annual review; however, the review may be done less frequently as determined by the Committee.
9. Perform a review of the consultant as necessary but at least every 3 years, with a formal review process (RFP) conducted every 10 years as proper due diligence to ensure that the Foundation is receiving the best available services at a competitive rate.
10. Define procedures for controlling and accounting for investment expenses by examining money manager fees and/or annual expenses of mutual funds, trading costs, soft dollar costs, custodial charges, consulting and administrative costs and fees, and insure fees for investment management are consistent with agreements and with the law.
11. Avoid conflicts of interest and prohibited transactions.
12. Set the endowment spending guidelines and approve the established written policy guidelines to preserve the purchasing power of the endowment while providing an appropriate spending allocation which allows for providing an even rate of spending each year and minimizes large swings from one year to the next.
13. At least annually report its activities and findings to the Board.

#### **IV. Committee Meetings**

The Committee will meet as often as it deems necessary or appropriate, either in person or telephonically and at such times and places as the Committee determines. The Committee Chair shall prepare or approve an agenda in advance of each meeting. The Committee should meet in separate executive sessions at least annually with management, the investment consultants, and as a committee to discuss any matters that the Committee or each of these groups believes should be discussed. In addition, the Committee should regularly communicate with management and, as necessary, with the investment consultants to review the Organization's financial condition.

**V. Committee Evaluation**

The Committee will conduct an annual performance evaluation of the Committee, which evaluates the performance of the Committee in relation to the requirements of this charter and such other matters as the Committee may deem appropriate. Such performance evaluation shall be presented to the Board annually. The performance evaluation should include any recommended changes to this charter deemed necessary or advisable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate.

**VI. Resources and Authority of the Committee**

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the independent auditors as well as anyone in the Foundation. The Committee has the ability to retain, at the Foundation's expense, special legal, investment or other consultants or experts it deems necessary in the performance of its duties.