

Policy	GUF Investment Committee Terms of Reference
Version	2
Prepared By	Company Secretary
Reviewed By	Board
Approved by Board	30th June 2021

1. Purpose

1.1. The Board of Directors of Galway University Foundation (“the Foundation”) has constituted an Investment Committee (“the Committee”) the purpose of which is to assist the Board of the Foundation (the “Board”) in fulfilling its responsibilities in relation to investment management, and related internal controls and financial reporting, and the carrying out of certain oversight functions on behalf of the Board.

1.2. The role of the Committee is to provide strategic direction and oversight of Foundation reserves including the development of the Responsible Investment Statement, the Treasury Policy and the Investment Policy which are subject to Board approval.

1.3. The Company Secretary is responsible for the operational implementation and execution of the above policies. The investment managers are responsible for the management of any Foundation investment portfolios in accordance with the respective Board approved mandates.

2. Membership

2.1. The Committee shall comprise at least three members. Members of the Committee shall be appointed by the Board in consultation with the Chair of the Investment Committee.

2.2. At least two members of the Committee shall be independent non-executive directors.

2.3. The Chair of the Board may be a member of the Committee but may not be the Committee Chair.

2.4 Only members of the Committee have the right to attend Committee meetings. However, the Company Secretary and external investment managers and advisors may be invited to attend meetings of the Committee on a regular basis and other non-members may be invited to attend all or part of any meeting as and when appropriate and necessary.

2.5. The Board shall appoint the Committee Chair.

3. Secretary

The Foundation Company Secretary or his or her nominee shall act as the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner (no later than five working days prior to a meeting) to enable full and proper consideration to be given to the issues.

4. Quorum

4.1. The quorum necessary for the transaction of business shall be two participants.

4.2. Participation in person or via video or telephone conferencing shall qualify as attendance for the purpose of quorum.

5. Meetings

5.1. The Committee shall meet at least four times a year and otherwise as required.

5.2. Outside of the formal meeting programme, the Committee Chair, and to a lesser extent the other Committee members, will be available as required to maintain a dialogue with key individuals involved in the Foundation’s investment management, including the Board Chair, the Director – Administration & Finance and the external investment managers and advisors.

6. Notice of Meetings

6.1. Meetings of the Committee shall be called by the Secretary of the Committee at the request of its members.

6.2. Unless otherwise agreed by the Committee, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members at the same time.

7. Minutes of Meetings

7.1. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

7.2. Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the Committee Chairman it would be inappropriate to do so.

8. Responsibilities

The authorised responsibilities of the Committee include:

- a) On an annual basis reviewing and approving treasury and investment governance policies, objectives and guidelines including Terms of Reference, Treasury Policy, Investment Policy, Ethical Investment Statement and Funds and Reserves policy and drafting any other policies as required. All policies shall be submitted to the Board for annual review and approval.
- b) Maintaining adequate diversification in light of the Foundation's long term goals
- c) Monitoring investment performance
- d) Overseeing the engagement of outside investment advisors and submitting recommendations regarding the remuneration of the investment advisors and managers to the Board
- e) Communicating appropriate financial matters to the Board

8.1 Assess portfolio risk and key reserve attributes

- On an annual basis, gather input from the Board regarding risk tolerance and key portfolio characteristics, such as expected return, volatility, liquidity, etc.
- Evaluate scenario analyses prepared by the Company Secretary and advisors based on:
 - the projected future GUF expense/liability projections including any expected strategic investments requiring distributions from the reserves;
 - operational risk scenarios and resulting projected cash needs
 - the portfolio characteristics (expected return, volatility, risk factor analysis, etc.) of potential asset allocations as prepared by consultants
 - Based on this feedback, evaluate whether changes need to be made to the Investment Policy or other governing documents.

8.2 Monitor and evaluate investment performance, investment service providers, and costs

- Review the performance of the funds relative to their benchmarks on a monthly basis.

- Monitor and evaluate investment service providers at least annually. The review should include:
 - an assessment of the service providers' code of ethics and conflict of interest policies and their compatibility or otherwise with relevant Foundation Policies
 - assess whether investment service providers should be retained or replaced
- Assess whether fees incurred by or on behalf of the portfolio are appropriate and reasonable on an annual basis.

8.3 Oversee implementation and ongoing operational execution of the Investment Policy

- At least quarterly, ensure compliance with the Investment Policy Statement by verifying that reserve balances are invested according to policy.
- Ensure operational functions such as rebalancing and reserve funding are performed appropriately

8.4 Selection of Investment Advisors

- Subject to Board approval, ensure that a tender process for an investment advisor is normally conducted by GUF once every five years, or earlier if deemed appropriate
- Evaluate tender responses and engage a new investment advisor (or retain the incumbent)

Review annually the performance of the investment advisor, and determine whether each year's contract should be renewed or the contract terminated.

8.5 Selection of Investment Managers

- Subject to Board approval, and following advice from the Investment Advisors, ensure that a tender process for an investment manager is normally conducted by GUF once every five years, or earlier if deemed appropriate;
- Evaluate tender responses and engage a new investment manager (or retain the incumbent);
- Review annually the performance of the investment manager, and determine whether the Investment Mandate should be renewed or the contract terminated.

9. Authority

9.1. The Committee is authorised to seek any information it requires from any employee or support service personnel of the Foundation in order to perform its duties.

9.2. The Committee is authorised to obtain, at the Foundation's expense, independent legal, accounting, investment or other professional advice on any matter it believes it necessary to do so.

10. Reporting and Relationships

10.1 The Investment Committee maintains minutes or other records of committee meetings, and provides same to the Board.

10.2 The Investment Committee will formally report to the Board at least once quarterly

10.3 The Investment Committee relies on the reports provided by management, appointed third party investment manager, and external investment advisors in order to carry out its responsibilities and duties.

10.4 The Investment Committee will rely on reporting by the Company Secretary in compliance with the above listed policies and will rely on the Board appointed investment managers for the day-to-day ongoing management of the reserves in compliance with the respective Board approved investment mandate.