

University of Maine System
Board of Trustees

Investment Committee
Duties and Responsibilities

Committee established: 1988

Last revised: 1/25/1999; 8/23/2010; 3/14/2011; 8/28/2012; 9/23/2013; 3/9/2017

Approved by the Board of Trustees: 3/14/2011; 9/23/2013; 3/27/2017

The Investment Committee acknowledges its fiduciary responsibility for the conservation and prudent management of the Managed Investment Pool (including Endowments), Defined Benefit Pension Fund, and Operating Cash Funds. In addition, the Committee acknowledges its fiduciary responsibility for investment matters regarding the Defined Contribution Retirement Plan. The University of Maine System (System) staff will assist the Investment Committee in carrying out their duties.

Committee Authority

Bylaws – Section 3
Board of Trustee Policy Manual
Section 709 - Investments

Duties and Responsibilities

The primary duties and responsibilities of the Committee shall be to exercise prudent stewardship of the financial assets of the System and manage and invest funds in good faith and with the care an ordinary prudent person in a like position would exercise under similar circumstances. For the Defined Contribution (DC) Retirement Plan, the Committee shall exercise similar prudent stewardship regarding investment offerings available to participants.

1. Among those duties are:
 - a. To ensure compliance with the provisions of all pertinent federal and state regulations and rulings.
 - b. To develop investment objectives, asset allocation targets, investment guidelines, and performance measurement standards which are consistent with the needs of the funds.
 - c. To oversee the selection and evaluation of investment managers to invest and manage the funds' assets including taking appropriate action when an investment manager fails to meet mutually accepted performance standards or significantly violates investment guidelines.
 - d. To oversee the selection and evaluation of custodians, investment consultants, and defined contribution record keepers and vendors.

- e. To ensure that investment goals, objectives, and standards are effectively communicated to investment managers, including any material changes that may subsequently occur.
 - f. To ensure that existing assets and new monies are deployed to investment managers.
 - g. To review and evaluate investment results in the context of established standards of performance and adherence to the investment guidelines.
 - h. To oversee the DC Plan investment menu ensuring appropriate asset classes and fund offerings are available. The investment offerings will be of appropriate quality, competitively priced, and reasonable in number to allow for proper diversification by participants and proper fiduciary oversight by administration and the Trustees. The Committee will provide for ongoing monitoring and will replace fund offerings as appropriate.
2. The Vice-Chancellor, Treasurer, or Controller, or a subcommittee will assist the Committee in carrying out tasks associated with performing any of the duties set out above.
 3. The Committee, the Treasurer, the staff or a subcommittee may take whatever action is deemed prudent and appropriate to ensure the fiduciary duties of the Board of Trustees are fully accomplished.
 4. The Investment Committee is authorized to take action within its current Duties and Responsibilities with no requirement for further Board of Trustees approval. The Committee may refer an issue to the full Board when in the Committee's discretion the issue warrants a broader discussion and consideration. The Board is routinely updated about Committee actions through Committee Chair reports.
 5. If a quorum of the Investment Committee is not present at a meeting, those members present will provide direction to the staff without a formal vote. Actions will then be placed on the agenda of a subsequent Investment Committee or Board meeting for formal approval. Staff may take action based on the direction provided at the committee meeting, subject to reversing the actions should the Committee or Board subsequently vote otherwise.

Membership of the Committee

The Investment Committee shall be made up of at least three voting members of the Board of Trustees. The Chair and Vice-Chair of the Board and the Chancellor shall be ex-officio members, but the Chancellor shall have no vote. The Investment Committee may add up to five non-Trustee, non-voting members to the Investment Committee. The initial term will be for three years with the option of an appointment for a second, three year term.

Meetings

Meet as necessary and shall be called by the Committee Chair, but may be called by the Chair of the Board or a majority of the Committee.

Staff to the Committee

The Investment Committee shall be staffed by the Vice Chancellor for Administration and Finance, Treasurer, and Controller.