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Office of the Treasurer
June 16, 2008

Members, Investment Committee

APPROVAL OF REVISED ENDOWMENT INVESTMENT POLICY

Recommendation: that the Investment Committee approve the attached Endowment Investment Policy.

Background: The University's current Endowment Investment Policy was approved by the Investment Committee on January 1, 2006. Investment Staff and newly hired Investment Consultant, R.V. Kuhns & Associates, have performed a detailed review of the current policy in conjunction with the recent asset allocation study. Major changes to the policy include a revised asset allocation and manager structure, which includes new asset class allocations to absolute return, real return and value-added and opportunistic real estate. The asset allocation changes are proposed in order to increase future endowment returns and decrease the (risk) volatility of future returns.

Minor changes to the policy include the addition of a "purpose of the policy" section and an explicit requirement to review the policy on an annual basis. Additional changes include clarification of the assignment of responsibilities, delegation of authority, proxy voting, and performance evaluation. Lastly, a section on transition management has been added to reflect the practice already employed.

Action Taken: Approved Disapproved Other _____