



Investment Committee Charter

I. Mission Statement

Primary responsibility for the management of the San Antonio Area Foundation's ("Foundation's") assets vests in its Board of Directors ("Board"). The Investment Committee ("Committee") will assist the Board in establishing, updating, and overseeing:

- The investment policies guiding the Foundation's investment portfolio,
- The level of risk in the investment portfolio, and
- The performance of the Foundation's investment portfolio against both internal and external benchmarks.

In performing its duties, the committee will maintain effective working relationships with the Board and the President/CEO, the CFO, and the Investment Consultant. To effectively perform his or her role, each Committee Member will obtain an understanding of (i) the responsibilities of Committee membership, (ii) the Foundation's mission, the Foundation's investment objectives and strategies, and (iv) the Foundation's general operating environment.

II. Organization and Structure

This charter has been approved by the Foundation's Board. The Committee shall have access to the Foundation's records, documents and personnel, and will be provided with all appropriate resources to diligently discharge its responsibilities.

The Committee shall consist of not fewer than four (4) nor more than fifteen (15) persons appointed by the Board Chair, at least four (4) of whom will be current Board members but are not officers, salaried employees, or consultants (either paid or otherwise) of the organization. Committee members shall be independent and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. The Committee may not contain a majority of Audit Committee Members. One member, who is not the Chair of the Audit Committee, shall be appointed by the Chair of the Board to serve as Committee Chair. The Board Chair and President/CEO serve as *ex officio* members of the Committee.

Investment Committee members are appointed to serve one-year terms and can serve unlimited successive terms, subject to the discretion of the Board. The Committee Chair shall serve a one-year term, with unlimited successive terms, subject to the discretion of the Board

The Committee shall meet at least quarterly (via face-to-face meetings, video conferencing, or conference calls), or more frequently as circumstances dictate, and shall report to the Board as to performance, strategies, and financial environment for a full discussion at least once per year.

The Committee shall maintain minutes of its meetings and report periodically to the Board on the results of Committee activities.

The Committee shall annually review and recommend updates of this Charter and other Investment Policy documents.



III. Responsibilities

The Committee shall assist the Board in the following activities:

Investment Plan

- Review and assess investment policies and guidelines, including policy and guidelines regarding asset classes, asset allocation ranges, and prohibited investments, taking into consideration the Foundation's projected distribution rate, risk tolerance, liquidity requirements, and other relevant factors, making recommendations to the Board.
- Ensure the development of an investment plan and review necessary policies and objectives to govern the investment and reinvestment of Foundation assets. The Committee may delegate specific investment functions to management and staff of the Foundation, such as the authority to retain or terminate external investment managers and consultants.
- Remain informed about significant economic and regulatory developments and trends in the US and global economies and financial markets that could affect the short-term and long-term performance of the investment portfolio.

Management of Portfolio

- Exercise a level of care, skill, prudence, and diligence that a prudent person, acting in a like fiduciary capacity, would bring to a similar enterprise.
- Ensure that implementation of the investment plan is consistent with the Board's intentions.
- Review actions taken by management to hire and terminate fund managers and assess whether the appropriate due diligence was conducted and transaction costs were considered.
- In consultation with the Chair of the Board, retain investment consultants, a custodian bank, auditors, legal advisors, and other professionals as required to manage the investment program of the Foundation and/or conduct any investigation related to the diligent discharge of its oversight responsibilities.
- In consultation with the Audit Committee, ensure that accurate and timely investment records are maintained for all Foundation assets.
- Perform other *ad hoc* oversight functions of the investment portfolio as assigned by the Board.
- Recommend annual spending/distribution rate and policy to the Board.

Monitor Performance

- Monitor performance of the investment portfolio against the economic and financial environment, recommending changes to the portfolio's asset allocation as necessary.
- Ensure that the full Board receives a report on the performance of the investment portfolio at least annually.
- Monitor the organization's risk management policies related to its investment portfolio and ascertain whether such policies have been applied consistently and appropriately. Make recommendations to changes these policies as necessary.
- Review relationships between the Foundation and fund managers, investment advisors, custodian banks, legal advisors, and other investment professionals to periodically ensure that there are no actual or perceived conflicts of interest.