

# THE TRUSTEES OF THE STEVENS INSTITUTE OF TECHNOLOGY

## CHARTER OF THE INVESTMENT COMMITTEE

Adopted: May 22, 2018

**Background:** The Investment Committee (the “Committee”) is a committee of the Board of Trustees of the Trustees of the Stevens Institute of Technology, a New Jersey nonprofit corporation (the “University”). This charter (the “Charter”) replaces and supersedes in its entirety the charter of the Committee dated as of October 11, 2013.

**Purpose:** The purpose of the Committee shall be to invest the University’s endowment principal to achieve growth of principal and to generate income. The Committee shall report to the full Board on its actions. The Committee will recommend appropriate investment and asset allocation strategies to the Board and pursue such strategies as approved by the Board. As noted below, the Committee will make recommendations to the Board concerning the retention of one or more external investment advisors, managers and fiduciaries, and will execute the decisions of the Board with respect to this selection. The Committee will report on investment results at every meeting of the Board.

**Membership:** The Committee shall consist of at least four (4) trustees selected by the Nominating and Corporate Governance Committee and approved by the Board. The Nominating and Corporate Governance Committee will undertake to select trustees for membership on the Committee who have some meaningful level of professional expertise in finance and investing. The President of the University shall serve on the Committee as a voting ex-officio member. The Chief Financial Officer shall serve on the Committee as a non-voting ex-officio member. Two faculty members also will serve on the Committee as faculty participants and will be selected in accordance with established Board procedures for election of faculty as participants to Board committees. The Board will encourage the selection of faculty who have a meaningful level of expertise in the disciplines of finance and investment.

**Meetings:** The Committee shall meet at least three times during the academic year. Additional meetings may be called by the Chair. Committee members may participate in meetings telephonically or by any other electronic means which allows all persons participating in the meeting to hear each other and participate in the meetings. At the request of any voting member, the Committee can meet in executive session excluding all except voting members.

**Reporting:** The Chair of the Committee shall report the deliberations and actions of the Committee at each meeting of the Board and on other additional occasions as deemed

appropriate by the Chair. The Chair of the Committee shall be responsible for designating a person in attendance at each meeting to record the minutes of the meeting and circulate those minutes to the Committee for review and approval. Once approved, all minutes will be forwarded to the Office of the Secretary for safekeeping.

**Subcommittees:** The Chair of the Committee, upon notice to the full Committee, may form subcommittees, and delegate responsibilities to such subcommittees, from time to time, as the Chair deems appropriate, including the undertaking of any of the Committee's responsibilities as set forth below, subject to approval or ratification by the full Committee. The Chair shall ensure that each subcommittee reports to the full Committee on its activities.

**Advisors:** The Committee will select one or more external investment advisors, managers or fiduciaries subject to the approval of the full Board, to assist it in the execution of its responsibilities set forth in this Charter. The Committee will provide direction and instructions to advisors concerning the conduct of its activities on behalf of the endowment. The Committee will undertake periodic reviews of the advice and performance of the advisors and provide feedback and comments to the advisors in order to oversee the relationship, the performance of the endowment and the delegation of any duties of the Committee or the Board.

**Responsibilities:** The responsibilities of the Committee shall include:

- Recommend for full Board approval an Investment Policy Statement and asset allocation targets;
- Monitor, evaluate and account for all investment of the endowment of the University;
- Monitor general market and economic trends in order to invest the endowment funds for optimal returns under prudent risk constraints;
- Disclose the performance of the endowment's investment portfolio at the end of each fiscal year on the University's web site;
- Recommend for full Board approval the annual spending rate that is to be transferred from the endowment to general operations;
- Select investment managers, brokers, custodians and other third-party service providers as necessary to assist the Committee in carrying out its responsibilities;
- Oversee the distribution of funds from individual endowment funds; and
- Assure that the activities of the Committee and the investment operations of the endowment are consistent with best practices of nonprofit institutional endowments.

**Evaluation:** The Committee will review and evaluate the performance of its responsibilities provided under this Charter at least every two years. The Committee shall have the authority to retain consultants to assist it in its self-evaluation, subject to the approval of the Board. The Committee also shall review this Charter on an annual basis and recommend any proposed changes to the Board. Any changes shall become effective upon the approval of the Board.