

Investment Management Committee

Terms of Reference



A committee of Council established in accordance with section 18(1)(b) of the University of Melbourne Act 2009 (Vic) and section 35 of the Standing Resolutions of Council

Approved by Council 15 March 2023

1. PREAMBLE

The Investment Management Committee (IMC) is a sub-committee of Finance Committee. The IMC exercises governance oversight of the University's investment activities including the outsourced management of Reserves and Trusts and internal management of operational cash investments (collectively referred to as the University Investment Portfolio).

The IMC, supported by University Management and investment advisors, considers strategic decisions such as investment objectives and asset allocation, and then makes recommendations for the consideration of Finance Committee and Council. These strategic decisions are implemented through fund managers for Reserves and Trusts, and by University Management for operational cash and follow-on investments. The IMC monitors and reviews the implementation of the strategic decisions, and reports to Finance Committee on its activities.

2. MEMBERSHIP

Members	
Council Two members of Council appointed by Finance Committee, one of whom Finance Committee will nominate as IMC Chair. At least one Council member will be a member of Finance Committee	Andrew Sisson AO (Chair) Dr Raphael Arndt
University Management One member of University Management being Vice President (Administration & Finance) and Chief Operating Officer, or their nominated alternate	Paul Axup Katerina Kapobassis (alternate)
Other Up to five members appointed by Finance Committee each with appropriate financial and/or investment management experience and expertise, and collectively providing appropriate diversity to support better insights and decision making. At least two members will be external to the University.	Amanda Fong Peter Scott AM Professor Paul Kofman Liliana Colla

In performing their role IMC members are expected to act in a manner consistent with the equivalent obligations of Council members under *University of Melbourne Act 2009* (clause 15) and will execute the University's Conflict of Interest Declaration and Confidentiality Agreement.

The performance of the IMC and its membership will be reviewed annually, along with a comprehensive review on a triennial basis. Members are elected for a period not exceeding 3 years, and may be subsequently re-elected.

3. TERMS OF REFERENCE

The IMC's primary responsibilities are to support Finance Committee and Council in making strategic investment decisions, and then to oversee the prudent management of the University Investment Portfolio. The functions of the IMC are to:

3.1 Evaluate and then recommend to Finance Committee:

- a. Overall governance arrangements including roles, responsibilities and policies applied to the professional management of the University Investment Portfolio.
- b. The overall effectiveness and suitability of the investment model.
- c. Investment beliefs underpinning investment decisions, including incorporation of Sustainability Plan commitments.
- d. Material service providers to advise on and implement the University's investment strategy, including fund managers and investment advisors.
- e. Investment objectives, including return objectives and risk expectations, along with liquidity requirements.
- f. The asset classes regarded as appropriate for University consideration and the strategic allocation to these asset classes intended to achieve the investment objectives.

3.2 Evaluate and decide on:

- a. Deviations (if any) from long term strategic allocations to asset classes to reflect medium term views on market valuations, and associated risks and returns.
- b. The implementation of the strategic decisions of Finance Committee, including contractual relationships and service standards with major service providers.

3.3 Monitor and review:

- a. Progress against investment objectives, the ongoing suitability of the asset allocation; and the consistency of investment outcomes with expectations.
- b. The performance of major service providers, including their contribution to the achievement of University investment objectives as well as the efficiency and effectiveness of the relationships.
- c. The implementation of the University Investment Portfolio and its attendant risks, including consideration of the alignment with the University's Sustainable Investment Framework.

3.4 The management of operational cash.

3.5 Review and approve:

- a. The Investment Governance Framework governing the University Investment Portfolio (excluding those elements such as objectives and strategy listed above as requiring Finance Committee approval).
- b. The annual work plan for the management of the University's investment activities.

3.6 Obtain independent advice as necessary to support its role as described above.

For the avoidance of doubt, the activities of the IMC do not extend to the broader University holdings (e.g. direct equity, property and debt facilities), except to the extent these holdings inform decisions regarding the management of University Investment Portfolio.

4. FREQUENCY OF MEETINGS

The IMC will meet at least quarterly, either in person or via electronic means. Circular resolutions are permitted at the discretion of IMC Chair.

Meetings dates will be set annually for the year ahead by the IMC Chair, with any meeting changes or additional meetings requiring a minimum of one week's notice. Meeting papers will be circulated by

University Management typically one week prior to the meeting, but no later than 3 business days prior to the meeting. University Management will work with the IMC Chair on the agenda and will then prepare and source relevant papers.

A meeting quorum includes a minimum of four members, including at least one member of Council and one member of University Management (or their alternate).

Meeting attendance is also:

- Open to other Council Members and Finance Committee Members at their discretion
- On invitation of IMC:
 - o University Management
 - o Service providers and other guests
 - o A nominee of University Management in the role of meeting secretary

The meeting secretary will prepare minutes of the meeting for review by the IMC Chair, and submission to IMC at its next meeting. The IMC Chair will report to Finance Committee meeting after each IMC meeting on relevant IMC matters and activities.

5. MONITORING AND REVIEW

This Terms of Reference will be reviewed annually with any changes recommended to Finance Committee for approval of Council at its first meeting of each calendar year.

6. ADMINISTRATION

Management responsibility: Daniel Baird, Executive Director, Corporate Development

Version	Approval Date	Comment
4.0	15 March 2023	Annual update
3.0	16 March 2022	Annual update
2.0	17 March 2021	Full review and revision
1.0	13 March 2020	-