

# THE AMERICAN LAW INSTITUTE

## INVESTMENT COMMITTEE CHARTER

(Adopted by resolution of the Council on December 7, 2006, and effective on May 17, 2007.  
Amended by the Council on May 21, 2012.)

*Note: Unless the context requires other meaning, as used in this Charter the word "Institute" includes both ALI and ALI CLE.*

### **I. Purpose**

The Investment Committee oversees the investment of the Institute's endowment and other funds available for investment (collectively, "investment assets" or "investment portfolio"), for the Institute's benefit.

### **II. Membership**

A. The Investment Committee should not have fewer than seven members and may not have more than nine members, two of whom are the President and Treasurer. After receiving recommendations from the President, the Executive Committee appoints the members of the Investment Committee, including its Chair and, if desired, a Vice Chair. A majority of the Investment Committee must be members of the Council, and all must be members of the Institute.

B. The Chair of the Audit Committee may not serve as a member of the Investment Committee.

C. Each member of the Investment Committee should have investment, finance, or other business experience sufficient to evaluate the performance of the investment portfolio.

### **III. Meetings**

The Investment Committee meets as often as it determines is appropriate, but not less than twice each year. At least one meeting each year should be held in person.

### **IV. Authority and Responsibilities**

A. The Investment Committee's authority and responsibilities are as follows:

1. Set and at least annually review the objectives and guidelines for the investment of the investment assets.

2. Determine and regularly review the asset allocation of the investment assets.

3. Oversee the management and performance of the investment portfolio.

4. Select the investment manager or managers and such other consultants or advisers as desirable, and review and evaluate their performance and compensation.

5. Receive and review periodic reports from the Treasurer regarding any Institute funds invested in short-term instruments.

6. Regularly report to the Executive Committee on the selection and performance of the investment manager or managers, the current investment objectives and guidelines, and the asset allocation and performance of the investment portfolio.

B. In carrying out its responsibilities, including its responsibilities to oversee the management and performance of the investment portfolio and to select investment managers and review their performance, the Investment Committee exercises ordinary business care and prudence under the facts and circumstances prevailing at the time of its action or decision.