

Board Meeting
March 12, 2020

REVISE UNIVERSITY OF ILLINOIS SYSTEM INVESTMENT POLICY
STATEMENT

Action: Revise University of Illinois System ('System') Investment Policy Statement

Funding: No New Funding Required

An investment policy statement provides the guiding principles for managing, monitoring, and evaluating the investment of financial assets. Thus, regular review of the "investment policy" is prudent in the oversight of any endowment. Accordingly, the Comptroller, the system's investment staff, and consultant have conducted a comprehensive review of the system's Investment Policy Statement. As a result of this review, the Comptroller recommends the adoption of the following amendments to the Investment Policy Statement.

The revised Investment Policy Statement, dated March 12, 2020, presented in conjunction with this item modifies the endowment pool's U.S. public equity performance benchmark from Dow Jones Total Stock to the Russell 3000 index and the endowment pool's private equity benchmark from Dow Jones Total Stock plus 300 basis points to the Thomson One All Private Equity index. Additional modifications include narrowing the primary liquidity layer range within the operating pool asset allocation to 30 to 75 percent from 5 to 75 percent and the incorporation of language related to

sustainable investment practices following the enactment of the Illinois Sustainable Investing Act (30 ILCS 238/).

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes*, *The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

Accordingly, the Vice President/Chief Financial Officer and Comptroller recommends adoption of the attached Investment Policy Statement.

The President of the University concurs.