

Board Meeting
March 12, 2015

REVISE UNIVERSITY OF ILLINOIS INVESTMENT POLICY

Action: Revise University of Illinois Investment Policy

Funding: No New Funding Required

The Investment Policy of the University is reviewed regularly to ensure that policies are up-to-date and best practices are being followed. Accordingly, the Vice President/Chief Financial Officer and Comptroller and the University's investment consultant, Aon Hewitt, Inc., have reviewed and recommended certain revisions to the Investment Policy.

The major revisions to the revised Investment Policy, presented in conjunction with this item and dated March 12, 2015, are summarized below:

1. Update the roles and responsibilities for Treasury Operations staff.
2. Modify the performance benchmark for Global Equity and Non-U.S. Equity asset classes.
3. Incorporate language that identifies the holding of equity securities by the Office of Technology Management.
4. Incorporate language to permit the investment of Royalty Funds into private equity investments.

The first item updates the policy to reflect title changes and responsibilities within Treasury Operations. The second item modifies the asset class performance

benchmarks for Global Equity and Non-U.S. Equity to reflect the underlying managers' benchmarks. The third item identifies that the Office of Technology Management retains equity securities as payment for licensing agreements. The fourth item incorporates language to allow the investment of Royalty Funds into private equity funds.

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.

The President of the University concurs.