

The Regents of the University of California

**COMMITTEE ON GOVERNANCE
COMMITTEE ON INVESTMENTS**

September 16, 2010

The Committees on Governance and Investments met jointly on the above date at UCSF–Mission Bay Community Center, San Francisco.

Members present: Representing the Committee on Governance: Regents Blum, Lansing, Lozano, Pattiz, Ruiz, Schilling, and Varner
 Representing the Committee on Investments: Regents De La Peña, Kieffer, Makarechian, Marcus, Pattiz, and Schilling; Ex officio members Gould and Yudof; Advisory member Anderson; Staff Advisors Herbert and Martinez

In attendance: Regents Cheng, DeFreece, Hime, Island, Johnson, Maldonado, O’Connell, Reiss, and Zettel, Regents-designate Hallett, Mireles, and Pelliccioni, Faculty Representative Simmons, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Provost Pitts, Executive Vice Presidents Brostrom and Taylor, Vice Presidents Duckett, Lenz, and Sakaki, Chancellors Block, Blumenthal, Fox, Kang, Katehi, White, and Yang, and Recording Secretary Johns

The meeting convened at 11:50 a.m. with Committee on Governance Chair Lozano presiding.

AMENDMENT OF REGENTS POLICY 6103: POLICY ESTABLISHING THE INVESTMENT ADVISORY GROUP

The President recommended that the Committee on Governance recommend to the Regents amendment of Regents Policy 6103: Policy Establishing the Investment Advisory Group, as shown in Attachment 1.

[Background material was mailed to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Committee on Governance Chair Lozano briefly introduced the item, an amendment to policy which would place a represented employee on the Investment Advisory Group.

Upon motion duly made and seconded, the Committee on Governance approved the President’s recommendation and voted to present it to the Board.

The meeting adjourned at 11:55 a.m.

Attest:

Secretary and Chief of Staff

Additions shown by underscoring; deletions shown by strikethrough

Regents Policy 6103: POLICY ESTABLISHING THE INVESTMENT ADVISORY GROUP

Adopted November 19, 1999

Amended July 19, 2007 and September 20, 2007

Function: The Investment Advisory Group shall function in an oversight and evaluative role providing advice to The Regents with respect to establishment of investment policies and investment performance, including, but not limited to, investment strategies, policies and procedures; investment performance; investment personnel in the Office of the Treasurer; external investment managers; and Office of the Treasurer budget.

Authority: The Committee on Investments has authority under Regents Bylaw 12.5 for management of investments of the Corporation, and the Advisory Group shall have no management or action authority. In addition, the Investment Advisory Group shall have no authority for selection of specific investments, including the selection of investment managers or individual investments.

Composition: (a) The Advisory Group shall have not more than ~~six~~ seven and not fewer than four members, appointed by the Board of Regents upon recommendation of the Committee on Governance, in consultation with the Chair of the Committee on Investments. (b) Except as provided in subsection (c), mMembership is limited to investment professionals, faculty, and UC Foundation members not currently serving as Regents. (c) Notwithstanding subsection (b), one member of the Advisory Group shall be a represented employee of the University of California with expertise in investments. (d) Members of the Advisory Group shall serve for an initial term of four years and may serve a second term of four years.

Meetings: Members of the Advisory Group shall meet only as non-voting advisors in meetings of The Regents' Committee on Investments, which are noticed and conducted in accordance with the provisions of the Bagley-Keene Open Meeting Act.

Reports: The Advisory Group may request the Treasurer, other University of California staff, and such external sources as the Group shall determine advisable to provide reports on investment matters.

Consultant: The Advisory Group may recommend to the Committee on Investments that one or more consultants be retained from time to time to advise the Advisory Group and the Committee on Investments.

Conflicts: Members of the Advisory Group shall upon taking and leaving office and annually during their terms, with updates when information changes, disclose the following: their status and the status of their immediate family, within the meaning of the Political Reform Act, as partners, members, executive officers or employees with any and all investment management firms; any ownership interest in a privately held investment management firm; and any ownership interest of 1 percent or more in a publicly traded investment management firm. An investment management firm is defined as a for-profit business entity which derives its

revenues from the investment of third-party assets or, if it is a diversified business entity, no other business line contributes more revenues or earnings than the investment of third-party assets.

Expenses: Members of the Advisory Group shall receive no compensation for their services. They shall be reimbursed for expenses associated with service on the Advisory Group in accordance with policies applicable to members of the Board.