

# AGENDA ITEM

## ITEM I.B. NOV 19

DATE: November 19, 2015

TO: Members, Investment Sub-Committee  
Members, Planning and Budget Committee

FROM: Leah Wilson, Chief Operating Officer

SUBJECT: Annual Review of Investment Policy

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### **EXECUTIVE SUMMARY**

In April 2005, the Board of Governors approved a new investment policy for the State Bar that was revised to better align the State Bar's policy with the statuses regulating public investing in the State of California. The policy was modeled after the format of practices promulgated by the State of California Debt and Investment Advisory Commission ("CDIAC"), and incorporated several new elements recommended by the Association of Public Treasurers of the United States and Canada. Tab 17, Article 5, Section 7 of the State Bar's Board Book requires that the Board Investment Subcommittee review the investment policy annually.

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### **Policy Overview**

The investment policy establishes the investment subcommittee, outlines the State Bar's investment objectives, and identifies the investment instruments authorized by the State of California for governmental entities. The policy is designed as a broad framework for the Bar's investments and is not intended to provide specific procedures for the purchase of individual investments. Under Tab 17, Article 5 of the State Bar's Board Book:

- Section 8 of the investment policy establishes the investment policy establishes the Investment Advisory Subcommittee. The Subcommittee is charged with the duty to meet on a quarterly basis, if needed, to advise staff on proposed changes to the investment policy.
- Section 7 of the policy requires that the Subcommittee review the policy annually. Staff has one proposed change to the policy at this time:

## **Recommended Revisions to Investment Policy**

Staff recommends that Section 8 Investment Advisory Subcommittee be revised as to remove the quarterly meeting requirement and instead allow the subcommittee to schedule meetings as needed:

The Board Planning, Program Development and Budget Committee, will appoint the Chair to the Investment Advisory Subcommittee. The Investment Advisory Subcommittee will consist of four members: the Chair shall be a member of the Board Planning and Budget Committee, and the remaining three members may be members of the Board of Trustees and/or individuals with expertise in investment management. The Board Committee shall review the qualifications of, and appoint these non-Board members to serve a one-year term. The Office of Finance shall provide staff support for the committee.

Meetings of the Committee shall be scheduled on an **as needed** basis.

### **Board Book/Administrative Manual Updates**

Revision to Tab 17, Article 5, Section 8

### **PLANNING AND BUDGET INVESTMENT SUBCOMMITTEE RECOMMENDATIONS**

The Board Planning and Budget Investment Subcommittee adopts the following resolution:

RESOLVED, that the Planning and Budget Investment Subcommittee directs staff to amend Tab 17, Article 5, Section 8 in the form noted today in this memorandum.

Attachment: Tab 17, Article 5, Sections 7 and 8.