

Investment Committee Policy

Approved June 24, 2016

1. **Members:** The Investment Committee (hereinafter "Committee") will consist of at least three members of the Board of Governors and the bar's CFO. Board of Governors' members may volunteer to be on the Committee and membership is nominated by the chair of the Budget & Finance Committee and approved by the bar President. The Committee members shall self-select the chair of the Committee.
2. **Advisory Members:** If deemed valuable the Committee can select a professional investment consultant to be as an advisory, non-voting member. The consultant cannot receive a fee for any services and cannot solicit business while a member of the IC.
3. **Terms:** Members are selected or volunteer on or before the first Budget & Finance Committee of each year
4. **Length of Term:** One year with no limit on the number of years a member can serve.
5. **Meetings:** The Committee will meet at least once each calendar quarter at a time and place agreeable to the Committee members and at least two will include meeting with the bar's fee-for-service investment management firms.
6. **Role of the Committee:** The Committee will:
 - a) maintain a list of all fee-for-service authorized institutions that are approved for purpose of investment advice and assistance;
 - b) monitor the portfolios' performance consistent with the purpose and objectives of the bar's Investment Policy and bylaws;
 - c) determine, review and approve the target asset allocation, the asset classes, the approved investments, and the investment structure;
 - d) allocate the amount of funds to the respective fee-for-service investment managers;
 - e) at the end of each quarter receive, review, and evaluate reports of the investment managers and the portfolio's performance;
 - f) evaluate the services, performance, and fees of the fee-for-service investment management firms using a number of factors including performance relative to the most applicable market benchmarks, quality of communication with the Committee, and adherence to the Investment Policy and bylaws;
 - g) at least once a year review the Investment Policy and the related bylaws for appropriateness and validity.
7. **Communication with and Reports to the Budget & Finance Committee:** The Committee will:
 - a) seek and receive guidance from the Budget and Finance Committee, CEO and CFO concerning anticipated amount and schedule of the bar's cash needs and surpluses to insure the bar's portfolio is managed to best support the bar's requirements;
 - b) summarize and report the results of the investment managers and the portfolio's performance;
 - c) recommend to the Budget & Finance Committee changes:

- to the target asset allocation, the asset classes, the approved investments, and the investment structure of the portfolio;
- in the fee-for-service management firms;
- in the Investment Policy and the related bylaws.

8. Approved Investments: Investments are limited to the following obligations and subject to the portfolio limitations as to issuer, and must meet or exceed the credit quality standards.

- a) The State of Oregon Local Government Investment Pool (LGIP) no percentage limit for this issuer.
- b) U.S. Treasury obligations - no percentage limitation for this issuer.
- c) Federal Agency Obligations - each issuer is limited to \$250,000, but not to exceed 25 percent of total invested assets.
- d) U.S. Corporate Bond or Note - each issuer limited to \$100,000.
- e) Commercial Paper - each issuer limited to \$100,000.
- f) Mutual funds that commingle one or more of the approved types of investments, or securities meeting the minimum credit quality standards of this policy.
- g) Mutual funds of U.S. and foreign equities.
- h) Federal deposit insurance corporation insured accounts up to the amount insured by the FDIC.
- i) Individual publicly-traded stocks, excluding margin transactions, short sales, and derivatives.
- j) Mutual funds investing in infrastructure, in commodities, and in instruments such as high yield bonds, adjustable rate bonds, derivatives, futures, currencies, mortgage-backed securities, and ETFs, but not swaps or speculative instruments or mortgage backed securities, and only for the purpose of both managing risk and diversifying the portfolio and not at all for purposes of leveraging, with all such investments in total not to exceed 35% of the total invested assets.

Security	Minimum Credit Quality
Interest bearing deposits of banks, savings and loans and credit unions	The issuing financial institution must be rated "well capitalized" as defined by the financial institution's regulator. Those not "well capitalized" will be limited by the level of their deposit insurance.
Obligations issued or guaranteed by U.S., local, city and state governments and agencies	A-/A3 as defined by Standard & Poor's and Moody's
Money Market Funds	The issuing financial institution must be rated "well capitalized" as defined by the financial institution's regulator. Those not "well capitalized" will be limited by the level of their deposit insurance.
Money Market Mutual Accounts	The issuing financial institution must be rated "well capitalized" as defined by the financial institution's regulator. Those not "well capitalized" will be limited by the level of their deposit insurance.
Obligations issued or guaranteed by the U.S. Federal government	Not applicable
Obligations issued or guaranteed by U.S. Federal agencies	AAA/AAA as defined by Standard & Poor's and Moody's
Obligations issued or guaranteed by U.S. government-sponsored enterprises	AAA/AAA as defined by Standard & Poor's and Moody's
Obligations issued or guaranteed by local, city and state governments and agencies.	A-/A3 as defined by Standard & Poor's and Moody's
Obligations of U.S. corporations	A-/A3 as defined by Standard & Poor's and Moody's

9. Limitations: Upon recommendation of the Committee, the Budget & Finance Committee may state the entire investment portfolio be invested in any combination of the Local Government Investment Pool, U.S. Treasury obligations or federal agency obligations. The maturities of the investment obligations will be the investment manager's estimate of the Bar's cash needs, subject to the specific fund liquidity requirements. No maturity period will exceed 84 months.