

Building an annual investment committee agenda:

What to review and when

Investment committees have a lot to cover, and the priorities can vary. Still, some questions belong on every committee's agenda: Is the investment program meeting its objectives? Does the portfolio reflect the risks the organization is prepared to take? Have any changes in funding needs, spending priorities or organizational goals affected the decisions ahead?



Key takeaways

- A useful committee agenda pairs regular investment monitoring with time for deeper policy and strategy discussions.
- Performance, fees and asset allocation are more meaningful when evaluated against the investment program's objectives and policy.
- Changes in cash needs, risk tolerance or organizational priorities may call for a discussion before the next scheduled review.

As the year draws to a close, trustees, committee members and staff may find it useful to look at the coming year's agenda. A thoughtful agenda makes room for regular monitoring, deeper reviews and timely conversations when circumstances change.

While the schedule will vary by organization, committees can use the following framework to help organize discussions throughout the year.

Agenda frequency	Topics to consider
Every meeting	Portfolio performance, allocation ranges, liquidity needs and matters requiring action
Annual deep dives	Investment policy, fees, strategic asset allocation and investment manager reviews
As needed	Material organizational changes, unexpected cash needs, new investment opportunities and policy exceptions

Is performance meeting the investment program's objectives?

Performance reports are a regular part of committee meetings, but the numbers need context. A committee should understand how the overall portfolio and its investment managers have performed relative to the program's goals, relevant market benchmarks and appropriate peer groups.

It's also worth asking whether those comparisons still fit. A benchmark that doesn't reflect a manager's strategy may give the committee a misleading picture of results. Looking at performance over relevant periods, including returns after fees, can help members decide where results meet expectations and where they warrant a closer look.

Do the fees make sense for the strategies and services provided?

A fee review should account for the full cost of the investment program, as well as the fees charged by individual managers. It should also help the committee understand what it is paying for.

Fees can differ considerably across strategies. Passive and active management, for example, generally involve different costs, and real estate or other private investments may have more complex fee structures. The useful question is whether the costs are reasonable in light of the strategy, services and results. If a fee is difficult to explain—or a strategy isn't delivering as expected—the committee has a reason to ask more questions.

Does the investment policy still reflect the organization's goals?

The investment policy statement (IPS) gives the committee a framework for making and monitoring decisions. A dedicated review, often conducted annually, is an opportunity to confirm that it still reflects the organization's objectives and that trustees, staff and service providers understand their respective roles.

That review can also confirm any investment restrictions and the process for considering new opportunities. If the committee wants to pursue an asset class that the current IPS doesn't permit, it should address the policy before making the investment.

The committee should also document the rationale for significant decisions, including changes considered, actions taken and matters that require further review.

Does the asset allocation still fit?

The IPS sets the portfolio's target allocation and permitted ranges, giving the committee a way to monitor whether investments remain aligned with policy. Regular reviews can show when an allocation has moved outside those ranges and whether rebalancing should be considered.

The committee also needs to revisit the reasoning behind the targets themselves. Is the expected balance of risk and return still appropriate for the organization's objectives and cash needs? Have changes in investment markets or circumstances affected that assessment? A periodic asset allocation study can help the committee examine those questions and decide whether the existing strategy still fits.

What changes might call for a fresh look?

An annual agenda provides structure, but it needs room to adapt. Changes in cash flow, the needs of the individuals served, spending expectations or the organization's goals can affect how much liquidity is needed and how much investment risk it can take.

Some changes may be known well in advance and fit into a planned discussion. Others may deserve attention sooner. For organizations with a spending policy, for example, a shift in expected distributions could prompt a conversation about whether the portfolio and policy still work together. Committees can use their regular meetings to identify these developments and decide when a more focused review is needed.

Keep the agenda connected to the decisions ahead

A well-built agenda helps a committee do more than review reports. It creates time to evaluate changing circumstances, revisit key decisions and document the reasoning behind them.

An institutional advisor can help committees connect their ongoing monitoring with these broader discussions and determine which questions deserve attention next.



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