



## INVESTMENT SUBCOMMITTEE CHARTER

### Purpose

The purpose of the Investment Subcommittee (the “Subcommittee”), a subcommittee of the Audit and Finance Committee, is to carry out the responsibilities delegated by the Board of Governors (the “Board”) of CFA Institute regarding oversight of the financial reserves (the “Reserves”) of CFA Institute, consistent with Board directives.

### Membership

The Subcommittee shall be composed of the following members:

- Individuals appointed by the Board having the following respective qualifications:
  - Minimum of two individuals who are Governors, and
  - Minimum of one individual who is a President’s Council Representative (the “PCR”).
- Minimum of one CFA Institute staff member (“Staff Appointee”) appointed by the President and Chief Executive Officer of CFA Institute (the “CEO”).
- The Chief Financial Officer (the “CFO”) of CFA Institute (or his or her designee) and the Treasurer of CFA Institute, who shall serve as ex officio members of the Subcommittee, unless the CEO has appointed them as a Staff Appointee.

The Subcommittee’s Chair (the “Chair”) shall be appointed by the Board annually and may serve two consecutive one-year terms. The Governor and the PCR serving on the Subcommittee shall be independent in accordance with any independence guidelines of CFA Institute that apply to members of the Subcommittee.

All members of the Subcommittee other than ex officio members shall be voting members of the Subcommittee. All members of the Subcommittee other than ex officio members must be Chartered Financial Analysts or Regular Members, and shall be current or former senior-level investment practitioners. The Governance Committee and CEO shall coordinate the appointment of individuals to serve on the Subcommittee so that such individuals, collectively, bring international diversity and representation to the Committee.

Each Subcommittee member, other than the PCRs, may serve three consecutive one-year terms on the Subcommittee. Such terms shall be staggered to the extent practicable for purposes of continuity. The PCR may serve two consecutive one-year terms on the Subcommittee.

### Meetings

The Chair shall preside at meetings of the Subcommittee and shall set the agenda in consultation with the members.

The Subcommittee shall meet at least four (4) times per year and otherwise as often as deemed necessary or appropriate, in its judgment, to discharge its duties and responsibilities. Meetings of the Subcommittee may be held in-person and/or via telephonic or electronic or video conference, and at such times and places as the Subcommittee determines. A majority of the members shall constitute a quorum. If a quorum is present, a majority of the members present shall decide any matter brought before the Subcommittee. The Chair may call a meeting of the Subcommittee upon due notice to all other members at least one month prior to the meeting as standard practice and at least 48 hours prior to the meeting for more urgent matters. Notice by electronic mail shall be sufficient notice. The Subcommittee may also act by written consent signed by all of its members.

## Duties and Responsibilities of the Subcommittee and Decision Rights

In addition to carrying out any other responsibilities delegated to the Subcommittee by the Board, the Subcommittee shall:

### Investment Policy Statement, Portfolio Risk, and Key Reserve Attributes

Action	Decision Rights	Subcommittee Oversight Only
Develop, maintain, and review, at least annually, the Investment Policy Statement (including the Asset Allocation Policy), the Reserves Operating Guidelines, the ESG policy, and all other applicable documents governing the investment and overall management of the Reserves and recommend any proposed changes to the Board for approval.	Board of Governors	●
At least annually, review the Board-approved target for reserve levels for potential impact to the Investment Policy Statement or Asset Allocation Policy.		●
At least once every three years, gather relevant input from the Board regarding risk tolerance and key Reserves portfolio characteristics, including but not limited to expected return, volatility, liquidity, and ESG philosophy.		●
Evaluate scenario analyses prepared by CFA Institute staff and any third-party consultant based on: the projected future CFA Institute expense and liability projections prepared by CFA Institute staff, including and with respect to any expected strategic investments requiring distributions from the Reserves; the operational risk and disaster risk scenarios that would result in needs for cash; and the portfolio characteristics (including but not limited to expected return, volatility, and other risk factors) of potential asset allocations.		●

### Investment Performance, Investment Service Providers, and Costs

Action	Decision Rights	Subcommittee Oversight Only
Review the overall investment performance, including the review of ESG performance, of the invested Reserves relative to their benchmarks on a quarterly basis.		●
Monitor and evaluate investment service providers for the invested Reserves at least annually; such review shall include an assessment of such service providers' codes of ethics and conflict-of-interest policies as well as a consideration of whether any such service provider has agreed to be bound by any standards or codes of CFA Institute.		●
Determine whether the investment service provider, with respect to the invested Reserves, should be retained or replaced.	Investment Subcommittee	
At least annually, assess whether fees incurred by or on behalf of the invested Reserves or portfolios thereof are appropriate and reasonable.		●

## Oversight of the Implementation of the Investment Policy Statement

Action	Decision Rights	Subcommittee Oversight Only
At least quarterly, ensure compliance with the Investment Policy Statement by verifying that Reserve balances are invested accordingly.		●
Lead investment manager and fund selection in accordance with the Asset Allocation Policy in the Investment Policy Statement.		●
Ensure operational functions, including but not limited to rebalancing and reserve funding, are performed appropriately by Treasury or its designee.		●

## Selection of the Investment Advisor

Action	Decision Rights	Subcommittee Oversight Only
Ensure that a request for proposal (RFP) for an investment advisor for the Reserves is issued by the Treasury once every five years, or earlier as the Subcommittee deems appropriate.		●
Evaluate RFP responses and engage a new (or retain the incumbent) investment advisor.	Investment Subcommittee	
At least annually, review the performance of the investment advisor for the Reserves, and determine whether the contract with such investment advisor should be renewed, terminated, or allowed to expire without renewal.	Investment Subcommittee	

## Withdrawal of Funds

Action	Decision Rights	Consulting Entity	Subcommittee Oversight Only
Recommend the withdrawal of funds from the Contingency Reserve and transfers to non-reserve accounts of the Company to the Board for approval.	Board of Governors		●

## Working Groups and Reporting

Action	Decision Rights	Consulting Entity	Subcommittee Oversight Only
Report quarterly to the Audit and Finance Committee, and at least annually, to the Board on the Subcommittee findings and recommendations.		Audit and Finance Committee	●
Report regularly to the Board on Subcommittee findings and recommendations and maintain minutes or other records of the Subcommittee meetings and activities.			●
Create working groups of the Subcommittee as needed and inform the Governance Committee of the purpose, scope, and deliverables.	Investment Subcommittee	Governance Committee	
Be responsible to the Board for its activities.			●

## Authority to Engage Advisers

Action	Decision Rights	Subcommittee Oversight Only
The Subcommittee has authority to retain advisers when it deems appropriate and shall have authority to approve fees and terms of retention, without the prior permission of the Board or management, and shall be provided the necessary resources for such purpose. The Subcommittee shall be directly responsible for the appointment, compensation and oversight of the work of any adviser the Subcommittee retains.	Investment Subcommittee	

## Annual Evaluation

The Governance Committee (the “GC”) will conduct an annual evaluation of the performance of the Subcommittee, including a review of the adequacy of this Charter annually, and recommend to the Board such amendments as the GC deems appropriate.

## Executive Liaison

The management liaison to the Subcommittee is the Chief Financial Officer.