



UNIVERSITY OF MINNESOTA  
BOARD OF REGENTS POLICY

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Delegation of Authority  
INVESTMENT TRANSACTIONS  
Adopted: November 12, 1976  
Amended: July 8, 1983; October 9, 1987; March 11,  
1994; July 8, 1994; March 12, 2004; May 14, 2010  
Supersedes: (see end of policy)

INVESTMENT TRANSACTIONS

This policy governs the administration's authority to invest and deal in securities and to engage investment managers.

**Subd. 1. Definitions.** For purposes of this policy, the terms below shall have the following meanings:

(a) *Security* shall mean any investment instrument or group of instruments commonly used by investors of institutional assets.

(b) *Investment advisor* shall mean a person or firm engaged to render advice to the University of Minnesota (University) in connection with its investment activities. An investment advisor does not have authority to execute investment transactions.

(c) *Investment manager* shall mean a person or firm engaged to execute investment transactions at its discretion on behalf of the University or to otherwise manage the University's investments. In circumstances where applicable industry standards require registration with the Securities and Exchange Commission (SEC), only investment managers duly registered with the SEC may be engaged to provide services to or act on behalf of the University.

(d) *Investment transactions* shall mean:

- (1) the purchase, investment in, possession, or other acquisition of an interest in a security;
- (2) the sale, conversion, exchange, transfer, or other disposal of an interest in a security; and
- (3) the pledge of a security.

(e) *Emerging investment management firms* shall mean investment management firms that manage institutional assets under \$250 million.

(f) *Broker/dealer* shall mean a person or firm duly registered as a broker-dealer with the SEC and a member in good standing of FINRA (Financial Industry Regulatory Authority, Inc.) executing investment transactions on behalf of the University upon the University's directive. Investment transactions may be executed in the open market or from the firm's inventory.



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**Subd. 2. Delegation of Authority.** In accordance with Board of Regents Policy: *Reservation and Delegation of Authority*, the president or delegate shall have the authority and power to take all actions necessary or appropriate to conduct investment-related activities and execute investment transactions. Such actions may include, but are not limited to, the following:

(a) to negotiate and enter into investment transactions with broker/dealers, investment managers, or other qualified counterparties;

(b) to negotiate and enter into sales and other divestment transactions in the secondary market when such action is required for rebalancing to comply with asset allocation guidelines;

(c) to vote any voting securities owned by the University in accordance with relevant Board of Regents (Board) policies;

(d) to give to investment managers written or oral instructions with respect to investment transactions;

(e) to bind and obligate the University to, and for the execution of, any contract, arrangement, or transaction that may be entered into by any such officer for and on behalf of the University;

(f) to pay such sums as may be necessary in connection with any investment transactions;

(g) to deliver securities to and deposit funds with investment managers or broker/dealers;

(h) to order the transfer or delivery of a security to any other person whatsoever and/or to order the transfer or record of a security to the name of the University;

(i) to direct the sale or exercise of any rights with respect to a security;

(j) to execute, acknowledge, and deliver proper transfers, assignments, and letters of transmittal;

(k) to execute consents to reorganizations, modifications, or extension agreements and compromises;



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(l) to execute, acknowledge, and deliver all powers of attorney or any other legal instruments for the purpose of splitting and issuance of new certificates in exchange, transferring, and disposing of or releasing any stocks, bonds, or other evidences of indebtedness held by the University or for any other purpose with relationship thereto in the ordinary course of business;

(m) to sign for the University all releases, powers of attorney, and/or other documents in connection with any such transaction and to agree to any terms or conditions to control any such account; and

(n) to direct investment managers or broker/dealers to surrender a security to the proper agent or party for the purpose of effecting any exchange or conversion or for the purpose of deposit with any protective or similar committee.

**Subd. 3. Authority to Engage Investment Managers.** The Board reserves to itself the exclusive authority and power on behalf of the University to engage investment managers, provided that, in exigent situations, the president or delegate shall have the authority to engage immediately an investment manager. In such instance, the president or delegate shall seek Board approval of the engagement at the next regularly scheduled Board meeting. The president or delegate shall have the authority and power to terminate the engagement of an investment manager and to engage and to terminate investment advisors.

**Subd. 4. Targeted Investment Managers.** The Board encourages the use of emerging investment management firms and investment management firms that are minority-owned or woman-owned, and encourages steps in this regard consistent with the financial and fiduciary responsibility of the University. The administration shall report annually all steps taken to provide opportunities to emerging, minority-owned, and woman-owned investment management firms.

**Subd. 5. Binding Effect.** Action taken by the president or delegate pursuant to this policy shall be an act of and shall bind the Board.

**Subd. 6. Certificate of Authority.** The secretary of the Board shall certify the authority and power of the president or delegate to enter into investment transactions or to invest and deal in securities as provided in this policy.