

An **Investment Committee** is a group of individuals within an organization or investment fund responsible for making key decisions about the allocation of capital and management of investments. The committee's primary role is to oversee and approve investment strategies, assess potential opportunities, manage risks, and ensure that investments align with the overall objectives and goals of the fund or organization.

Key Functions of an Investment Committee:

1. **Strategic Decision-Making:** The committee decides on the direction of investments, including which asset classes or specific opportunities to pursue, and ensures that these decisions align with the broader strategy of the fund.
2. **Risk Management:** The committee assesses and monitors the risks associated with potential and existing investments. They develop strategies to mitigate risks and ensure that investments fall within the agreed risk tolerance.
3. **Due Diligence:** The committee is involved in conducting or overseeing the due diligence process for potential investments. This includes financial analysis, market research, and legal assessments to determine the viability of an investment.
4. **Performance Monitoring:** Once investments are made, the committee monitors the performance of the investment portfolio. They regularly review the outcomes and make adjustments as needed to meet performance targets.
5. **Approval Authority:** The committee often has the authority to approve or reject investment proposals, ensuring that only vetted and strategically sound investments are pursued.
6. **Compliance Oversight:** The committee ensures that all investments comply with regulatory and legal requirements, as well as any internal policies or ethical guidelines.
7. **Capital Allocation:** The committee decides how much capital should be allocated to different investments, balancing the need for growth, liquidity, and diversification.

An investment committee typically includes members with diverse expertise in finance, law, risk management, and specific industry knowledge. This diversity

allows the committee to make well-rounded, informed decisions that help the fund or organization achieve its financial goals while managing risks effectively.

Here's a list of key roles and descriptions for individuals you might choose for the investment committee for your fund:

1. Chief Investment Officer (CIO)

- **Duties:** As the head of the investment committee, the CIO leads the decision-making process for investment strategies and ensures alignment with the fund's overall goals. They oversee market research, identify investment opportunities, and assess risks. They also provide strategic guidance to the committee and ensure that the investment portfolio meets the desired return objectives while maintaining a balanced risk profile.

2. Senior Investment Analyst

- **Duties:** This person is responsible for conducting detailed financial analyses, market research, and due diligence on potential investment opportunities. They present data-driven insights to the committee, including cash flow projections, risk assessments, and investment return forecasts. Their role is to provide critical financial models and data to support the committee's decision-making.

3. Legal Advisor

- **Duties:** The Legal Advisor ensures that all investments comply with legal and regulatory requirements. They provide guidance on structuring deals, drafting contracts, and mitigating legal risks. They also ensure the fund adheres to all relevant laws, including securities regulations and investment fund compliance.

4. Risk Management Officer

- **Duties:** This individual is responsible for identifying, assessing, and managing risks associated with the fund's investments. They develop risk mitigation strategies, assess potential downside scenarios, and ensure that

investments align with the fund's risk tolerance. They also monitor ongoing investments to identify any emerging risks.

5. Finance Director

- **Duties:** The Finance Director oversees the financial health of the fund. They handle budgeting, forecasting, and financial reporting, ensuring the fund's financial strategy supports its investment objectives. This role involves working closely with accountants, managing capital inflows and outflows, and ensuring that the fund's cash flow is sufficient to meet its operational and investment needs.

6. Independent Investment Advisor

- **Duties:** The Independent Investment Advisor provides an external perspective on the fund's investment decisions. They offer objective insights on potential investments and help ensure that the committee's decisions are not biased or overly influenced by internal opinions. Their role is to bring an impartial viewpoint and challenge assumptions to improve the quality of investment decisions.

7. Operations Specialist

- **Duties:** The Operations Specialist ensures that the logistics of the investment process run smoothly. They coordinate due diligence, manage timelines for closing deals, and oversee the operational aspects of real estate investments, particularly for development projects. They work closely with property managers, contractors, and other stakeholders to ensure that the investment's operational goals are met efficiently.

8. Fundraising/Investor Relations Manager

- **Duties:** This person is responsible for managing relationships with current and potential investors. They ensure clear communication about the fund's performance, handle investor inquiries, and oversee the fundraising process. Their role is crucial in maintaining investor confidence and ensuring that capital continues to flow into the fund.

9. Portfolio Manager

- **Duties:** The Portfolio Manager is responsible for overseeing the performance of the fund's investment portfolio. They manage and optimize the portfolio to meet the fund's financial targets. Their role includes rebalancing investments as needed, monitoring performance, and ensuring that the portfolio remains diversified and aligned with the fund's risk/return profile.

10. Tax Advisor

- **Duties:** The Tax Advisor provides expertise on tax-efficient investment strategies. They ensure that the fund minimizes its tax liabilities by structuring investments in a tax-efficient manner. They also advise on the tax implications of potential deals and ensure that the fund remains compliant with all relevant tax laws.

These roles ensure that your investment committee is well-rounded, with expertise in finance, law, risk management, operations, and investor relations. This combination of skills will enable your fund to make informed, strategic investment decisions while managing risks and ensuring compliance.