

POLICE & FIRE DEPARTMENT RETIREMENT PLAN

INVESTMENT COMMITTEE CHARTER

INTRODUCTION & BACKGROUND

- 1) The Board is responsible for:
 - a) Investing and reinvesting the moneys in the Fund in accordance with the fiduciary standards set out in law.
 - b) Adopting an investment resolution or resolutions containing detailed investment guidelines, as appropriate.
 - c) Entering into custodian arrangements, as appropriate.
- 2) To assist the Board in the above, the Board has established an Investment Committee to consist of four board members.
- 3) The duties of the Investment Committee and the manner in which it shall operate are set out below.

COMMITTEE OPERATIONS

- 4) The Investment Committee shall operate in accordance with all applicable legislation, city requirements, and board policy. These include but are not limited to the following:
 - a) The presence of a majority of Investment Committee members shall constitute a quorum.
 - b) All actions of the Investment Committee shall be by an affirmative vote of the majority of the members present at a meeting of the Investment Committee, provided a quorum is present.
 - c) All ~~material~~ actions of the Investment Committee shall be approved by the Board to be effective, unless otherwise provided herein. ~~The Investment Committee shall nevertheless inform the Board of any actions taken by the Investment Committee that were deemed not to be material.~~
 - d) The Investment Committee shall meet at least on a quarterly basis.
 - e) The meetings of the Investment Committee shall be open to the public and noticed and held in accordance with the Ralph M. Brown Act (Govt. C. §54950 et seq.) and City Sunshine Ordinances.
 - f) The Investment Committee shall keep minutes of its meetings.

COMMITTEE RESPONSIBILITIES

Investment Policy & Risk Management

- 5) With the support of Staff and advisors, the Investment Committee shall develop and recommend to the Board an ~~Statement of Investment Policy~~ Statement, ~~The Investment Structure~~, and all other material investment policies of the Plan. The Investment Committee shall review said policies on at least an annual basis and recommend modifications to the Board as appropriate.

- 6) As part of the Plan's risk management efforts, the Investment Committee shall be responsible for requiring Staff to develop investment risk management processes, and for reviewing said processes with Staff on a regular basis.

Portfolio Structure

- 7) ~~The Investment Committee shall review the portfolio and investment manager structures recommended by Staff for the Fund and each asset class in the Fund, and in turn recommend them to the Board for approval.~~ [investment/governance project]

Vendor Selection

- 8) ~~The Investment Committee shall appoint any investment managers that are beyond the authority of the CIO to appoint. Currently, the Investment Committee is only responsible for approving co-investments and investments in the venture capital program, with the exception of funds where an external manager has discretion. (See section VII. B. of the Investment Policy Statement)~~ [investment/governance project]

- ~~8)9)~~ 9) The Investment Committee shall, from time to time, review any staff-level procedures containing criteria and processes to be used in conducting investment manager due diligence, ~~and in arriving at recommendations to select or terminate an investment manager.~~ [investment/governance project]

- ~~9)10)~~ 10) The Investment Committee shall review the advice and/or recommendations of Staff and, where appropriate, advisors with respect to the appointment and termination of custodians, ~~investment managers (for both public and private markets), and general~~ investment consultants (retained to assist the Board in the asset allocation process), and shall provide recommendations to the Board for approval. [investment/governance project]

- ~~10)11)~~ 11) ~~The Investment Committee is generally not expected to participate in investment manager due diligence and interviews, but rather is expected to oversee that proper due diligence is performed by Staff and appropriate advisors. The Investment Committee may, however, determine it is in the best interests of the Plan that the Committee interview certain investment managers being recommended by Staff or advisors.~~ [investment/governance project]

- ~~11)12)~~ 12) ~~With respect to the selection of investment consultants, the Investment Committee or the Board shall typically interview investment consultant finalists being recommended by Staff, but are not required to do so.~~

Real Estate Operations

- ~~12)13)~~ 13) With respect to real estate properties directly owned by the Plan, and based on the recommendations of Staff and advisors, the Investment Committee shall provide recommendations to the Board concerning:

- a) The acquisition and disposition of real properties.
- b) The listing prices or ranges to be set when disposing of real properties.

Human Resources

- ~~13)14)~~ 14) The Investment Committee may provide input to the JPC and CEO with regards to the recruitment of the CIO.

Reporting & Monitoring

- ~~14)15)~~ 15) The Investment Committee shall monitor all material aspects of the investment program including

but not limited to:

- a) Compliance with the ~~Statement of~~ Investment Policy Statement, other material investment policies of the Fund, and any legal requirements applicable to the Fund.
- b) Compliance with any investment risk management parameters that may be established for the Fund.
- c) Investment performance including but not limited to total fund performance, asset class performance, and investment manager performance.
- d) Implementation of any material changes or transitions in the portfolio or manager structures.
- e) Proxy voting.
- f) Cost effectiveness of the investment program including portfolio transitions.

~~15)~~16) The Investment Committee shall work with Staff and advisors to continually enhance the quality of investment reporting to the Investment Committee and the Board.

Other Duties

~~16)~~17) The Investment Committee is expected to:

- a) Remain abreast of trends and developments in the pension and investment industry and be available to advise Staff and the Board as required.
- b) Report regularly to the Board on its activities.
- c) Perform any other duties that are assigned to it by the Board in connection with the investment program.

POLICY REVIEW & HISTORY

~~17)~~18) The Board shall review this charter at least once every three years.

~~18)~~19) The Board adopted this charter on August 2, 2012; amended on January 4, 2018; ~~[December X, 2019]~~.