

## **INVESTMENT COMMITTEE**

### **I. INTRODUCTION**

The Board of Retirement (Board) has established an Investment Committee to administer the Sonoma County Employees' Retirement Association (SCERA) investment program. The Committee will be comprised of all Board members. The Chief Executive Officer, Chief Investment Officer or their designee will serve as the SCERA staff contact.

### **II. DUTIES AND RESPONSIBILITIES**

A. The Investment Committee is authorized to act on behalf of the Board, without necessity for further Board action or approval, with regard to all investment related matters, including the following primary functions:

1. Adopting an Investment Policy Statement, including investment goals and objectives, reviewing said statement as required, and adopting any necessary amendments;
2. Adopting a Securities Lending Policy and any necessary amendments;
3. Adopting any other investment policies assigned to it by the Board or that it may otherwise determine are necessary and any necessary amendments;
4. Implementing strategies for achieving the investment goals and objectives of SCERA; and
5. Developing and implementing the process to be followed in performing and oversight of asset/liability studies.

B. As part of the service provider selection process, the Investment Committee will oversee staff's and the investment consultant's due diligence in connection with the selection and retention of service providers in the investment area.

C. While the Investment Committee retains discretion to interview finalist candidates, the analysis and proposal of investment service providers has generally been delegated to investment staff, with input from the Plan's investment consultant, and the recommended manager brought before the Committee for a vote in the following categories of service provider:

1. Investment managers;

2. Investment consultants;
  3. Interim management and Transition managers;
  4. Securities lending agents;
  5. Custodian;
  6. Cash overlay manager; and
  7. Any other investment service providers, such as brokers, as needed, to be retained by SCERA.
- D. Upon completion of the due diligence process and interviews by staff and the investment consultant, the Investment Committee will act on behalf of the Board in approving investment service providers.
- E. The Investment Committee will perform any other duties that may be assigned to it by the Board.

### III. MONITORING, COMPLIANCE AND PERFORMANCE

The Investment Committee provides broad delegation to staff to carry out investment operations in conjunction with the Chief Executive Officer Charter. Along with that delegation the Committee will review and assume responsibility for the following matters on behalf of the Board:

1. Compliance with the investment policies of SCERA;
2. The investment performance of the total fund, each asset class within the fund, and each investment manager employed by SCERA;
3. Success of investment strategies employed by SCERA;
4. The continued appropriateness of investment managers employed by SCERA;
5. The performance of investment consultants employed by SCERA;
6. Investment cost effectiveness, including manager fees, and trading and execution costs;
7. Compliance with proxy voting policies and securities litigation policies; and
8. Compliance with legislative or regulatory reporting requirements.

#### IV. REVIEW

This Charter shall be reviewed by the Board at least every three years.

#### V. HISTORY

This Charter was adopted by the Board on 7/15/2004.

Reviewed on 7/19/2007, 7/15/2010 and 7/18/2013.

Reviewed and revised on 2/16/2012, 7/28/2016, 7/25/2019 and 7/18/2024.