



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 Administrator, 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. The Investment Committee will act on behalf of the Board with respect to investment related matters, including:
1. An Investment Policy Statement, including investment goals and objectives, and will review said statement as required, adopting amendments as appropriate;
 2. A Securities Lending Policy;
 3. Any other investment policies assigned to it by the Board or that it may otherwise determine are necessary;
 4. Strategies for achieving the investment goals and objectives of SCERA; examples may include, but are not limited to:
 - a. Passive versus active investment strategies
 - b. Capitalization strategies;
 - c. Growth versus value strategies;
 - d. Market neutral and other hedge fund strategies; and
 - e. Any investment plans or strategies for achieving target allocations within asset classes; and
 5. The process to be followed in performing asset/liability studies, and will oversee all 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 service providers in the investment area.

- C. The Investment Committee may, at its discretion, interview the final candidate recommended by the Retirement Administrator in the following categories of service provider:
 - 1. Investment managers for both traditional and alternative asset classes;
 - 2. Investment consultants for both traditional and alternative asset classes;
 - 3. Transition managers;
 - 4. Securities lending managers;
 - 5. Proxy voting services;
 - 6. Directed commission brokers; and
 - 7. Any other investment consultants or advisors 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

- A. The Investment Committee will review, monitor, 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. Directed commissions.
- B. The Investment Committee will record minutes of its meetings and make them available to all Trustees.

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 and 7/15/2010.

Reviewed and revised on 2/16/2012.

Reviewed on 7/18/2013.

Reviewed and revised on 7/28/2016.