

**POLICE & FIRE DEPARTMENT RETIREMENT PLAN**  
**CHIEF INVESTMENT OFFICER (CIO) CHARTER**

**INTRODUCTION & BACKGROUND**

- 1) The Director is responsible for recommending investment policies and strategies to the Board and for ensuring their implementation. The Director may delegate as appropriate any and all of his or her duties to subordinates, but shall remain responsible for supervising such subordinates.
- 2) In carrying out the above responsibilities the Director has established a Chief Investment Officer (CIO) position, the responsibilities of which are described herein.
- 3) The CIO at all times shall act in accordance with the standards of fiduciary conduct governing the Plan, and with all applicable legislation, board policy, agreements, and procedures.

**DUTIES & RESPONSIBILITIES**

*Investment Policy & Procedures*

- 4) The CIO shall:
  - a) Provide advice and recommendations on all investment policy matters, ensuring all necessary supporting research and analysis is performed.
  - b) Approve all investment procedures necessary for the effective implementation of investment policy and the day-to-day administration of the investment program, and inform the Investment Committee and the Board of such procedures, as appropriate.

*Planning & Budgeting*

- 5) The CIO shall:
  - a) Develop and propose any necessary long-term plans and strategies for the investment program, including strategic plans for each major asset class of the Fund.
  - b) Develop and recommend an annual budget for the investment program to form part of the total operating budget of the Plan.

*Human Resources*

- 6) The CIO is the head of the Investment Division of the Department of Retirement Services, reporting to the Director, and as such, shall:
  - a) Select all investment personnel, in consultation with the Director.
  - b) Direct and supervise all investment personnel on a day-to-day basis.
  - c) Evaluate all investment personnel and manage their professional development.
  - d) Implement all human resource policies applicable to investment personnel.
  - e) Advise the Director, the Investment Committee, and the Board on:
    - i) The personnel and compensation needs of the Investment Division.
    - ii) The organizational structure of the Investment Division.
    - iii) Staff succession within the Investment Division.
    - iv) Any other material matters pertaining to investment personnel.

### *Risk Management*

- 7) The CIO shall be responsible for developing risk management processes for the investment program and for ensuring their implementation. The CIO shall review said processes with the Investment Committee and the Board at least annually.

### *Investment Operations*

- 8) The CIO shall administer the day-to-day operations of the investment program including the implementation of all board-approved investment policies, strategies, and plans. This includes but is not limited to:
  - a) Executing or overseeing the execution of all necessary portfolio re-balancing in accordance with board-approved investment policy.
  - b) Managing the work of investment consultants and other vendors involved in the investment function, directing and coordinating their activities as required. This includes the responsibility for assigning specific investment consultants to particular projects or tasks. For example, the CIO may select, from among the various investment consultants appointed by the Board, the optimal firm to undertake a particular asset allocation study, research project, or manager search.
  - c) Ensuring that asset allocation studies are performed as necessary.
  - d) Coordinating the preparation of the investment portion of the comprehensive annual financial report.
  - e) Promoting proper integration of the investment and actuarial functions, coordinating with the actuary of the Plan as required.
  - f) Ensuring the proxies of the Plan are voted in accordance with the policies of the Board.

### *Vendor Selection*

- 9) The CIO shall:
  - a) Conduct or oversee all due diligence associated with vendors involved in the investment of Plan assets including, but not limited to, investment managers (public and private markets), the custodian, and investment consultants.
  - b) Recommend the appointment and termination of custodians, investment consultants, and investment managers to the Investment Committee and the Board for approval.
  - c) Advise the Director, the Board, and the General Counsel with respect to the needs of the Investment Division for legal services.

### *Communications*

- 10) The CIO shall attend Investment Committee meetings and relevant portions of board meetings and is authorized to:
  - a) Provide advice, education, and information to the Investment Committee and the Board.
  - b) Provide analysis and recommendations to the Investment Committee and the Board.
  - c) Co-ordinate all necessary investment performance reports.
- 11) The CIO shall determine the need for presentations by investment consultants to the Investment Committee or the Board and shall co-ordinate such presentations. The Board, the Investment Committee, or the Director may also request presentations by investment consultants from time to time, and may direct the CIO to coordinate them.

### *Reporting & Monitoring*

- 12) The CIO shall work with the Director, the Board, and the Investment Committee to design and continually improve the system of investment reporting for the Director, the Investment Committee, and the Board.
- 13) The CIO shall monitor:
  - a) Compliance with legislation pertaining to investments, and with all applicable policies and procedures.
  - b) The investment performance of the Fund, each asset class of the Fund, and each investment manager of the Fund.
  - c) The risk exposure within the Fund relative to any agreed upon risk limits or parameters.
  - d) The cost-effectiveness of the Fund.
  - e) The liquidity of the Fund relative to the Plan's cash flow requirements.
  - f) Contract compliance by vendors involved in the investment program.
- 14) The CIO shall, in a timely manner, inform the Director and the Investment Committee of all material issues and concerns involving the investment program.

### *Other*

- 15) The CIO shall be responsible for:
  - a) Remaining abreast of issues and developments in the capital markets and the pension investment industry, and for keeping the Director and the Investment Committee appropriately informed.
  - b) Supporting the educational efforts of the Investment Committee and the Board.
  - c) Providing staff support to the Investment Committee and its chair.
  - d) Performing such other duties as the Director, the Investment Committee, or the Board may determine.

### **POLICY REVIEW & HISTORY**

- 16) The Board shall review this charter at least once every three years.
- 17) The Board adopted this charter on August 2, 2012.