

**FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM**  
**CHIEF INVESTMENT OFFICER CHARTER**

**INTRODUCTION & BACKGROUND**

- 1) The Board, jointly with the Board of the Police and Fire Department Retirement Plan, is authorized by law to appoint and prescribe the duties of the Chief Investment Officer (CIO).
- 2) The duties of the CIO shall be prescribed in this CIO Charter as well as in the statement of investment policy.
- 3) Though appointed by the Board, the CIO is subject to the direction and oversight of the CEO on both administrative and functional (i.e. investment) matters. The CEO and CIO shall work together collaboratively in the best interest of the Plan. The CIO shall provide independent recommendations on investment matters directly to the Investment Committee and the Board, but shall consult the CEO on all material matters beforehand. The CEO is authorized to review any work product of the CIO and may provide advice and input to the CIO, Investment Committee, and the Board.

**DUTIES & RESPONSIBILITIES**

*Investment Policy & Procedures*

- 4) The CIO shall, in consultation with the CEO:
  - a) Provide independent advice and recommendations to the Investment Committee and the Board 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, in consultation with the CEO:
  - 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 System.

*Human Resources*

- 6) The CIO is the head of the Investment Division of the Office of Retirement Services, reporting to the CEO, and as such, shall:
  - a) Recommend to the CEO the appointment and duties of all professional, technical, and clerical employees of the Investment Division (Investment Personnel).
  - 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 CEO, 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.
  - 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 System as required.
  - f) Ensuring the proxies of the System 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 System 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.
  - c) Advise the CEO and the Board with respect to the needs of the Investment Division for legal services.
- 10) The CIO shall advise the Investment Committee regarding the appointment and termination of the general investment consultant to assist the Board in the asset allocation process.
- 11) The Board has delegated to the CIO the authority to select and terminate investment consultants to assist in the selection, retention, evaluation, and termination of investment managers. The CIO may use the services of the general investment consultant to provide such assistance. Alternatively, if the services of the general consultant can be unbundled to separate manager research services, the CIO may select a consultant(s) of his or her choice to carry out manager research that would otherwise have been included in the general investment consultant scope of services. The CIO, however, shall obtain Board approval of all contracts with investment consultants.
- 12) The Board has delegated to the CIO the authority to select and terminate investment managers subject to constraints and parameters contained in the Investment Policy Statement.

### *Communications*

- 13) 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 to the Investment Committee and the Board.
  
- 14) 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 CEO may also request presentations by investment consultants from time to time, and may direct the CIO to coordinate them.

### *Reporting & Monitoring*

- 15) The CIO shall work with the CEO, the Board, and the Investment Committee to design and continually improve the system of investment reporting for the CEO, the Investment Committee, and the Board.
  
- 16) 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 System's cash flow requirements.
  - f) Contract compliance by vendors involved in the investment program.
  
- 17) The CIO shall, in a timely manner, inform the CEO and the Investment Committee of all material issues and concerns involving the investment program.

### *Other*

- 18) 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 CEO 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 tasks as the CEO, the Investment Committee, or the Board may determine.

**REVIEW & HISTORY**

- 19) The Board shall review this charter at least every five years.
  
- 20) The Board adopted this charter on June 21, 2012. Reviewed and amended December 21, 2017; October 17, 2019; March 18, 2021.