



TITLE: Investment Advisory Committee Charter

EFFECTIVE DATE: December 12, 2013

BOARD ADOPTION: December 12, 2013

INTRODUCTION

Revised Code of Washington (RCW) 35.39.080 requires that a city responsible to manage an employees' retirement system for non-public-safety employees "shall appoint an investment advisory committee consisting of at least three members who are considered experienced and qualified in the field of investments." RCW 35.39.090 requires that, in addition to its other powers and duties, such an investment advisory committee shall: (1) make recommendations as to general investment policies, practices, and procedures to the Board of Administration (Board) of the Seattle City Employees' Retirement System (Retirement System); (2) review the investment transactions of the Board annually; and (3) prepare a written report of its activities during each fiscal year, to be submitted to the Board within 30 days after the end of each fiscal year and upon request.

The Board has established an Investment Advisory Committee to perform the functions required by law and to otherwise assist it and the Investment Committee in the investment functions of the Retirement System.

STRUCTURE

The Investment Advisory Committee (IAC) shall be composed of at least three members appointed by the Board. Members shall be considered experienced and qualified in the field of investments generally, and the Board may recruit and select individuals with particular expertise in strategic areas or on issues of interest to the Board and in asset classes held in the Retirement System's portfolio of investments.

In accordance with RCW 35.39.100, during the term of his or her appointment, an Investment Advisory Committee member and his or her immediate family may not be employed by any financial services firm doing business with the Retirement System such as, but not limited to: investment brokerages, mortgage servicing firms, investment management companies or consulting firms. The appointed Investment Advisory Committee member will be required to sign a statement stating he or she understands this requirement.

A newly-appointed member of the Investment Advisory Committee shall serve an initial term of two years from the date of his/her appointment, and may be reappointed by the Board to one or more succeeding terms of two years each. In the absence of action by the Board to the contrary, a member of the Investment Advisory Committee whose term has expired may continue on the Committee until the Board acts to extend or terminate that member's appointment. The Board may terminate the appointment of an Investment Advisory Committee member or replace such a member at any time, in its sole discretion.

The Board will appoint a Chair and, if it deems appropriate, a Vice Chair from among the Investment Advisory Committee members.

DUTIES AND RESPONSIBILITIES

Responsibilities of Investment Advisory Committee members shall include the following:

1) **Meetings with the Investment Committee regarding**

a) **Investment Performance –**

- Attendance at the April or May Investment Committee to review SCERS' investment performance for the previous calendar year.
- Attendance at the September or October Investment Committee to review SCERS' investment performance for the first half of the current year.

IAC findings and recommendations will be presented as such to the Board in the Investment Committee minutes.

- #### b) **Investment Proposals, Policy and Practices -** Attendance periodically at meetings either collectively or individually with the Investment Committee and/or SCERS staff on specific matters, including investment proposals, policies and practices, and any other matters pertinent to the investment of the SCERS' assets. The purpose and schedule of such meetings will be set by the Investment Committee Chair in January, if practicable, in consultation with the Chair of the Investment Advisory Committee and the SCERS Executive Director.

IAC findings and recommendations will be presented as such to the Board in the Investment Committee minutes or in the Executive Director's report as appropriate.

- ### 2) **Preparation of Annual Report -** The Investment Advisory Committee will also meet independently with SCERS staff in December or January to review the Committee's activities for the past year, and approve its annual report as required by RCW 35.39.090. The Annual Report must be submitted to the Board no later than 30 days following the end of the fiscal year.

- ### 3) **Meeting with the Board –** Attendance of the Investment Advisory Committee or a representative of the Committee at the February Board meeting to summarize its Annual Report for the prior fiscal year.

- ### 4) **Ad Hoc Requests -** In addition to the meetings described above, Investment Advisory Committee members may be asked to consult from time to time on investment and related matters as needed.

It is the intention of the Board that, in advance of scheduled meetings, the Investment Advisory Committee members be provided relevant information so that it may provide well-informed analysis and recommendations to Board members or SCERS staff.

SCOPE OF ADVISORY FUNCTIONS

Investment Advisory Committee members serve in an advisory capacity only and, as such, are not authorized to enter into any contracts or commitments on behalf of the Retirement System, the City of Seattle, or any agency thereof.

In accordance with RCW 35.39.110, no member of the Investment Advisory Committee is liable for the negligence, default, or failure of any other person or other member of the Committee to perform the duties of his or her office, and no member of the Committee may be considered or held to be an insurer of the funds or assets of the Retirement System, nor shall any member be liable for actions performed

with the exercise of reasonable diligence within the scope of his or her duly authorized activities as a member of the Committee.

The sole compensation that Investment Advisory Committee members shall receive for their services is \$100.00 for attendance at each meeting set pursuant to the “Duties and Responsibilities” section of this Charter.

POLICY REVIEW

The Board shall review this policy at least once every three (3) years to ensure that it remains relevant and appropriate.