

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD INVESTMENT COMMITTEE CHARTER**

Approved by Investment Committee May 6, 2010

Approved by Board June 9, 2010

Amended by Board March 13, 2013

Amended by Board November 5, 2014

INTRODUCTION

The Board Investment Committee has been established to administer all matters relating to the investment of MCERA's assets and investment management. The Committee is charged with investing MCERA's assets for the exclusive purpose of providing benefits to MCERA members and their beneficiaries within the system; and to maximize the financial stability of MCERA in an efficient and cost effective manner. The Committee members will carry out their duties with the care, skill, prudence, and diligence of a prudent person acting in a similar institutional investment Board member capacity, and strive to follow sound policies and procedures that enhance good, fair, and open decision making.

The Committee's core objective is to diversify MCERA investments so as to minimize the risk of loss and to maximize the rate of return, in accordance with the Board's overall objective of promoting the best interests for MCERA, its members and their beneficiaries.

AUTHORITY

To consider and act on all matters relating to the MCERA investment portfolio; and to select and oversee the work of MCERA investment staff; and to engage investment advisors; consultants, managers and counsel as necessary, to assist the Committee in carrying out its responsibilities. The Committee will not authorize any proposed investment that does not go through MCERA's due diligence process or is not reviewed by MCERA's professional staff and outside advisors.

COMPOSITION

The Committee shall be composed of all Board members. Alternate Board members shall be counted for purposes of (i) determining a quorum, and (ii) voting, only in the absence from the meeting of the Board member for whom they are the alternate Board member.

MEETINGS

The Committee will generally meet every other month on the day following each regularly scheduled Board meeting and otherwise on an as-needed basis as determined by the Committee Chair in consultation with the Chair of the Board.

RESPONSIBILITIES

The Investment Committee shall have responsibility for the following:

1. Determining MCERA's overall investment objectives, risk tolerance and performance standards in accordance with the California Constitution and the County Employees Retirement Law of 1937.

2. Determining the asset allocation of MCERA, including consideration of asset classes and sub-classes not currently utilized in MCERA.
3. Determining the overall MCERA Investment Policy as well as asset class and program investment policies.
4. Monitoring the performance of the investment portfolio as a whole as well as the performance of each asset class, including the performance of internal and external investment managers, and reviewing periodic reports from investment staff as well as external consultants, advisors, and investment managers.
5. Determine appropriate levels of staff delegation with respect to investment transactions in the various asset classes of MCERA.
6. Determine and assess compliance with the MCERA's corporate governance policy in an effort to protect MCERA assets through the pursuit of good governance and operational accountability.
7. Determining the relative amount of internal and external management.
8. Monitoring the direct and indirect costs of each asset category.
9. Determining and assessing compliance with the appropriate reporting standards and time horizons.
10. Identifying and discussing potential legislation related to investments.
11. Assessing that MCERA investments are made in conformance with applicable investment policies and investment resolutions.
12. Determining the procedures for the selection of MCERA investment staff, including an Investment Analyst and/or Chief Investment Officer, if and when appropriate.

CHARTER REVIEW

This Charter will be reviewed by the Board at least every three (3) years to ensure that it remains relevant and appropriate. The Charter may be amended from time to time by majority vote of the Board.