

Purpose

While the Board is responsible for the general oversight of the investment portfolio, the Investment Committee is charged with the responsibility of providing more in-depth analysis on a wide range of investment-related issues.¹

Committee Composition

The Investment Committee shall consist of at least three members of the Board appointed annually by the Board Chair at, or shortly after, the first board meeting of each year. The Board Chair may designate the Committee Chair. Approval by the full Board is not required for these appointments to take effect. If a vacancy occurs on the Committee reducing its total membership to less than three, the Board Chair will make a new appointment as soon as possible. Committee members shall hold over until the Board Chair makes new appointments. Members are eligible for reappointment.

Responsibility²

The Committee has the following responsibilities:

1. Recommend investment policy/asset allocation risk tolerance
 - Provide recommendations concerning the organization's tolerance for risk
 - Periodically, and not less than every five years, review the System's investment policy and investment strategies including asset allocation, and consider proposed changes to determine recommendations to the Board in accordance with the Board's risk tolerances³
2. Oversee performance and report to stakeholders
 - Meet with the System's Chief Investment Officer (CIO), investment consultant and external managers (if necessary) periodically to monitor investment performance and economic trends
 - Periodically review compliance with the investment policy
 - Review material investment transactions, as appropriate
 - In conjunction with staff prepare requests for proposal for the System's investment consultant
 - In conjunction with the CIO and Executive Director, evaluate proposals for selection of the System's investment consultant
 - In conjunction with the CIO and Executive Director, periodically evaluate the performance of the investment consultant⁴
 - In conjunction with the CIO and Executive Director, evaluate proposals for selection of the System's custodian bank
 - In conjunction with the CIO and Executive Director, periodically and not less than every five years evaluate the performance of the custodian bank⁵
 - Present reports to the Board regarding the Committee's activities and recommendations

¹ Revised June 20, 2013.

² In November of 2020, the Board adopted a number of recommendations of Funston Advisory Services, one which was to reorganize the Board's various charters by the powers of the Board. The changes to this charter were adopted by the Board on June 17, 2021.

³ Revised February 25, 2016.

⁴ Revised February 25, 2016

⁵ Revised February 25, 2016

3. Obtain independent advice and verification
 - Recommend the engagement of independent qualified consultants to review the System's investment policies and strategies at times deemed appropriate by the Committee

Meetings

Meetings will be held in accordance with the open meetings laws of the state of Missouri. The Committee is expected to meet at least twice per year. Any trustee may attend the Committee's meetings and participate in discussions; however, only Committee members may vote.

The Committee shall vote on all recommendations requiring Board approval and at the request of committee members, dissenting opinions shall be reflected in the minutes/summary of the committee meeting.⁶

Staffing

The Executive Director and the CIO participate in Investment Committee meetings but do not vote. The Executive Director shall ensure appropriate staff are assigned to assist the Committee and support the Committee's activities by scheduling meetings, preparing meeting materials, drafting minutes or committee reports, performing research, and rendering other types of assistance as reasonably requested by the Committee.

⁶ Revised February 26, 2021.