

Investment Committee Charter

(a committee of the Australian Retirement Trust Board)

Purpose

This charter governs the operations of the Investment Committee. The Committee has been established by the ART Board to provide assistance in discharging the Board's corporate governance and oversight responsibilities in relation to such matters as: ART's investment philosophy, objectives, and strategies; asset allocations; investment managers; liquidity and investment risk; as well as sustainable investment considerations. In doing so, it is the responsibility of the Committee to maintain free and open communication between the Committee, external advisers and Management. The Australian Retirement Trust Board & Committee Procedures document supplements this Charter and covers administrative matters associated with convening and running a Committee meeting.

Committee's Responsibilities

Policies and Management

The Committee will recommend to the ART Board:

- Appointment and termination of the Custodian;
- Counterparty Risk Management Policy;
- Derivative Risk Statement;
- Investment Governance Framework;
- Investment-related actions outside of approved strategies;
- Investment risk management practices;
- Liquidity Risk Management Policy;
- Securities Lending Program; and
- Sustainable Investment Policy and Climate Change Policy.

If a policy is not listed above (either by omission or because it is new since the Charter was approved), the Committee will initially make a recommendation on it to the Board, and may at that time, seek delegation to approve subsequent iterations.

Investment Management

The Committee is responsible for:

- a. Reviewing the recommendations of the CIO and Investment Team and making decisions or recommendations to the ART Board on the:
 - Material changes to the Investment Governance Framework, including the investment delegations framework;
 - Investment philosophy (i.e. the broad overall aims for investments) and beliefs;
 - Investment objectives (i.e. the specific investment objectives for the investment options);
 - Investment strategy for each investment option (including the MySuper building blocks and lifestages i.e. the way in which the investments for each option should be invested to meet the investment objectives), including asset allocation ranges;
 - Sustainable Investment considerations including Sustainable Investment Policy and Climate Change Policy;
 - Investment risk management practices;
 - Investment-related actions outside of approved strategies;
 - Liquidity Risk Management Policy, Counterparty Risk Management Policy and Derivative Risk Statement; and
 - Appointment and termination of the Custodian.

The Committee will approve:

- a. Strategic Asset Allocations, Asset Class Strategies and related guidelines (including New Investment Allocation Policy);
- b. Policy guidelines for active management and implementation of controls across cash flow, capital, treasury management, securities lending etc;
- c. Internal investment manager selection;
- d. Investment Governance Framework, other than material changes (noting that the framework must be independently reviewed at least every three years);
- e. Investment Policy Statement; and
- f. Investment related actions outside of approved processes.

The Committee will monitor and oversee the:

- a. Investments for each investment option relative to the investment strategy for that investment option;
- b. Investments for each asset class relative to the investment strategy for that asset class;
- c. CIO and Investment Team's decisions in relation to direct investments, external investment managers and asset consultants;
- d. Proxy voting by the investment managers and the Investment Team;
- e. Derivative exposures, including considering recommendations from Management on derivative risks, policies and procedures; and
- f. Measures of investment performance of each investment option and asset class (including MySuper building blocks and lifestages).

The Committee will monitor the Investment Team, in conjunction with the Chief Executive Officer, including:

- a. Their investment performance relative to key performance indicators and expectations, including input to relevant key performance indicators specified by the People & Nominations Committee;
- b. The investment performance metrics and frameworks underpinning the Reward Framework; and
- c. The effectiveness of the Investment Team in meeting the expectations of the ART Board and members.

Investment Operations, Compliance and Valuations

The Committee will:

- a. Review, and note the Investment Compliance Plan at least annually;
- b. Review investment administration and compliance activities and reports;
- c. Review, assess and monitor the resolution of investment breaches; and
- d. Review and assess the results of internal control audit reports and derivatives risk statement audit reports received from the investment managers and the custodian.

The Committee will support the Audit & Risk Committee as required by:

- a. Considering the methodology of the investment valuations used in the preparation of the annual financial statements; and
- b. Undertaking fiduciary reviews of governance as well as monitoring the decisions made by Management with respect to the valuations of unlisted assets.

Committee Reporting

The Committee will regularly report to the ART Board about Committee activities, issues, and decisions.

Charter Review

The Committee will review, on at least a triennial basis, the adequacy of the Committee Charter, and request the ART Board's approval for any proposed changes, and ensure appropriate disclosure as may be required by law or regulation.

Approval:	Australian Retirement Trust Board
Active date:	01 July 2023