

### **Detailed Roles and Responsibilities**

The purpose of this appendix is to provide more detail on the roles and responsibilities of the Board, the Financial Services Evaluation Committee, and Staff within the investment governance structure at WorkSafeNB.

#### **The Board**

The Board is responsible for approving policy. Currently there are two policies governing the investment function: policy 34-200, Investment Goals and Objectives, and policy 34-205, Statement of Investment Philosophy and Beliefs. The Board has retained responsibility for the following decisions included in these policies:

- Setting the policy asset mix (with the help of an asset liability study)
- Setting the allowable ranges for the policy asset mix
- Determining the rebalancing policy
- Determining the currency hedging policy
- Setting constraints on the types of investments along with minimum diversification requirements.
- Setting performance objectives
- Setting the asset class benchmarks
- Setting value-added objectives for the investment managers
- Setting performance measurement tools
- Setting the risk management policy
- Setting the proxy-voting policy
- Setting the related-party transaction policy
- Determining the Board's Investment Philosophy and Beliefs

#### **The Financial Services Evaluation Committee (FSEC)**

The FSEC is responsible for:

- Recommending policy changes to the Board
- Performance evaluation
- Monitoring the characteristics of the investment portfolio for compliance with the policies and directives
- Monitoring staff decisions for compliance with the policies and directives
- Approving related-party transactions
- Selecting the consultant to perform the asset liability study
- Monitoring for conflicts of interest arising out of the investment activities of the Fund

## Staff

Staff involved in the investment function at WorkSafeNB are the President, the Vice-President of Corporate Services, the Treasurer and the Senior Investment Analyst. The Treasurer is primarily responsible for the investment function. Staff are responsible for:

- Recommending policy changes to the FSEC
- Drafting, approving and implementing directives governing the investment function, including:
  - The rebalancing directive (providing the detailed application of policy)
  - The currency hedging directive (providing the detailed application of policy)
  - The management structure directive (responsible for portfolio construction within asset classes)
  - The manager hiring directive (responsible for hiring managers)
  - The manager termination directive (responsible for terminating managers)
  - The directive on reporting to the FSEC
  - The directive on manager monitoring (responsible for monitoring managers)
  - The education directive
  - The short-term investments directive
  - The asset liability study directive
- The day-to-day implementation of policy
- Engaging, terminating and monitoring the performance of external service providers such as: the custodian, the performance measurement provider, manager search consultants, portfolio analytics providers, investment education consultants, governance consultants, and prime brokers
- Development and approval of manager mandates and agreements
- Providing research on new asset classes or strategies
- Monitoring and projecting cash flow so that cash is available to fund operations and any excess cash is invested
- To help determine and prepare appropriate disclosure of investment information for financial reporting purposes