

## HEALTH CARE FOUNDATION OF GREATER KANSAS CITY

### FINANCE AND INVESTMENT COMMITTEE CHARTER

The Bylaws of the Health Care Foundation of Greater Kansas City (HCF), Section 6.1.3 Investment Committee, state:

**6.1.3 Finance and Investment Committee.** There shall be a Finance and Investment Committee of the Board which shall consist of not less than three members of the Board. The members of the Finance and Investment Committee shall be elected by the Board for terms of one year. The Board shall elect one of the members of the Finance and Investment Committee to serve as the Chair of the Finance and Investment Committee; provided, however, that no member of the Finance and Investment Committee shall serve more than two consecutive one-year terms as Chair of the Finance and Investment Committee. The Finance and Investment Committee shall propose to the Board, for review and approval, criteria, policies and procedures for the investment and protection of the investment assets of the Corporation, determine permitted investments in accordance with such criteria, policies and procedures and shall perform such other duties as the Board may from time to time direct.

The following, upon approval by the Board of Directors, shall constitute the Charter of the Finance and Investment Committee, and is intended to provide the general scope of the work of the Finance and Investment Committee.

This Charter of the Committee, which is approved by the Board of Directors, constitutes a statement of the Committee's authority, structure, and responsibilities. It provides guidelines for the Committee's interactions with the Board and management.

#### Authority

The Bylaws generally provide that the Committee shall direct and monitor the investment strategy and management of Foundation assets: which includes establishing investment policy, objectives and guidelines; recommending Investment Managers; reviewing selected managers over time; measuring and evaluating investment performance by the Investment Managers; reporting to the Directors and other tasks as deemed appropriate.

This committee will strictly adhere to the conflict of interest policy that was adopted by the Board of Directors on March 17, 2005 and approved by the Missouri Attorney General on April 18, 2005.

#### Composition

The Finance and Investment Committee shall consist of not less than three members of the Board. The members of the Finance and Investment Committee shall be elected by the Board for terms of one year. The Board shall elect one of the members of the Finance and Investment Committee to serve as the Chair; provided, however, that no member of the Finance and Investment Committee shall serve more than two consecutive one-year terms as Chair of the Finance and Investment Committee. Members of the Committee should have a strong background in finance or business and have adequate knowledge of investment strategies.

Approved by Finance & Investment Committee - 07.20.15  
Board Approved – 08.12.15

## Meetings

The Committee shall meet every other month, or more frequently as circumstances dictate.

The Committee shall regularly submit approved minutes of their meetings to the Board. These will be posted on the Health Care Foundation of Greater Kansas City website for public view.

## Responsibilities

The Committee shall assist the Board in fulfilling its management of Foundation assets. The Investment Committee's primary duties and responsibilities are to:

- Ascertain the Foundation's financial needs and communicate such needs to the Investment Advisors on a timely basis;
- Determine the Foundation's risk tolerance, investment horizon, and probabilities of reaching the stated long-term investment objectives under multiple asset allocation scenarios. Annually communicate to the Board, HCF's investment risk profile and projected returns to assure programmatic and investment goals are annually aligned.
- Establish reasonable and consistent investment objectives, policies and guidelines which will direct the investment of the Foundation's assets;
- Prudently and diligently select qualified investment professionals, including Investment Advisor(s) to assure adherence to policy guidelines and to monitor progress toward investment goals;
- Develop and enact proper control procedures: for example, replacing Investment Manager(s) in the event of fundamental change in investment management process or failure to comply with established guidelines;
- Determine the investment assets of the Foundation, collect all investment assets that may later accrue to the foundation but are held by others and provide for the safekeeping of the Foundation's assets.
- Review and monitor the interim financial statements as prepared by the Treasurer or an Assistant Treasurer.
- Establish annual budgeting assumptions and adopt an annual budget consistent with the mission and strategic plan of the Foundation.

Specific responsibilities of the Finance and Investment Committee include the following:

- The Finance and Investment Committee and the Board of Directors are directly responsible for reviewing the operations of Investment Managers quarterly regarding personnel, strategy, research capabilities, organizational and business matters, fees and other qualitative factors that may impact their ability to achieve the desired investment results.
- The Finance and Investment Committee and Board of Directors will also review and measure the investment performance of an Investment Manager, as well as asset class components, against commonly accepted performance benchmarks agreed upon with the Investment Managers.
- Perform an in-depth evaluation of each Investment Advisor and Manager at least every three years and review the performance of Custodians at least annually.

- Periodically review and assess the established Asset Allocation Guidelines to determine their ability to meet the long range financial needs and goals of the Foundation.
- Periodically review and assess the effectiveness, reasonableness and consistency of the Investment Objectives, Policies and Guidelines with the overall mission, values and goals of the Foundation;
- Review and assess the financial reports of the Foundation, monitor assets that may later accrue to the Foundation but are held by others and assess and evaluate the safekeeping of the Foundation's investment assets.

General responsibilities of the Finance and Investment Committee are as follows:

- Periodically perform a self-assessment of Finance and Investment Committee performance.
- Provide an annual disclosure that the Finance and Investment Committee's responsibilities were fulfilled under its Charter during the last year.
- Assess the adequacy of this Charter on an annual basis or as often as conditions warrant.
- Perform any other activities consistent with this Charter and HCF's Bylaws, as the Committee or the Board deems necessary or appropriate.

Adopted by the Board of Directors this 12<sup>th</sup> day of August, 2015.