



**Police & Firemen's Retirement System of New Jersey  
Permissible Investments Policy**

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## Chapter I: Introduction

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### **A. Purpose**

The purpose of the policy is to provide clear guidance on allowed investments and the limitations on specific types of investments.

This Policy has been drafted by PFRSNJ Staff and reviewed and approved by the Investment Committee and approved by a majority of the Board. Material deviation from this document is not permitted without explicit written permission, in advance, from the Board.

### **B. Investment Objectives**

To provide the System with clear guidelines on the type of investments allowed and investment limitations to potentially control risk.

## Chapter II: Governance and Responsibilities

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### **A. Board of Trustees**

It is the responsibility of the Board to review for potential approval any suggested changes to the PFRS Investment Rules and/or Permissible Investments Policy. The Board will review any suggested recommendations for the PFRS Investment Rules occurring through the regulatory approval process.

### **B. Investment Committee**

The Investment Committee is expected to review any suggested changes to the PFRS Investment Rules recommended by the Chief Investment Officer for potential recommendation to the Regulatory Committee. The Investment Committee is expected to review any suggested changes to the Permissible Investments Policy recommended by the Chief Investment Officer for potential recommendation to the Board. The Investment Committee is expected to review for potential recommendation and/or approval any changes to the PFRS Investment Rules occurring during the regulatory approval process.

### **C. Regulatory Committee**

The Regulatory Committee is expected to review any suggested changes to the PFRS Investment Rules recommended by the Chief Investment Officer, Chief Regulatory Officer, and/or Investment Committee. The Regulatory Committee will recommend any suggested changes to the Board for approval. The Regulatory Committee is expected to review for potential recommendation and/or approval any changes to the PFRS Investment Rules occurring during the regulatory approval process.

### **D. Chief Investment Officer**

It is the responsibility of the Chief Investment Officer to maintain the Permissible Investments Policy. The Chief Investment Officer will recommend any changes to this policy or the PFRS Investment Rules to the Investment Committee. It is the responsibility of the Chief Investment Officer to ensure the permissible investments policy is adhered to. The Chief Investment Officer shall update the Investment Committee and the Board regarding breaches of the Permissible Investments Policy.

### **E. Chief Regulatory Officer**

It is the responsibility of the Chief Regulatory Officer to present changes to the PFRS Investment Rules to the Regulatory Committee. The Chief Regulatory Officer shall maintain the PFRS Investment Rules, Prohibited List, and Exclusionary Lists. The Chief Regulatory Officer is responsible for managing the process of updating the PFRS Investment Rules. It is the responsibility of the Chief Regulatory Officer to ensure the PFRS Investment Rules are adhered to. The Chief Regulatory Officer shall update the Regulatory Committee and the Board regarding breaches of the investment regulations.

## Chapter III: The Program

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### **A. Chapter 4A Police and Firemen's Retirement System Investment Rules**

The Police and Firemen's Retirement System of New Jersey will adhere to the investment regulations adopted by the Board. The current board regulations are Chapter 4A Police and Firemen's Retirement System Investment Rules.

### **B. PFRSNJ Prohibited List**

The Police and Firemen's Retirement System of New Jersey will maintain a list of investments/countries prohibited from investment under Federal or State law. The list will include all asset identifiers (e.g. SEDOL, ticker, ISIN, etc.)

### **C. PFRSNJ Exclusionary List**

PFRSNJ Investment Staff will maintain an Exclusionary List of investments prohibited due to resolutions and/or policies adopted by the Police and Firemen's Retirement System of New Jersey's Board. The list will include all asset identifiers (e.g. SEDOL, ticker, ISIN, etc.)

### **D. Maintenance of Lists**

The PFRSNJ Prohibited and Exclusionary lists will be updated as PFRSNJ becomes aware of updates to Federal and State Law. The updating of the lists will not require Board approval so PFRSNJ can maintain compliance with Federal and State law. Both lists will be maintained by the Chief Regulatory Officer.

PFRSNJ investment staff will update the PFRSNJ Prohibited and Exclusionary lists as different investments match the criteria required for inclusion on either list.