



Investment Committee Charter



Contents

A. ROLES AND RESPONSIBILITIES OF INVESTMENT COMMITTEE	3
B. GENERAL POLICY STATEMENTS AND GUIDELINES	4

Investment Committee Charter

A. ROLES AND RESPONSIBILITIES OF INVESTMENT COMMITTEE

1. The Board of Directors of National Reinsurance Corporation of the Philippines (NRCP) has delegated to the Investment Committee the authority to implement the Company's investment strategy and to make specific investments in accordance with the provisions of the Corporation's Investment Policy.
2. The Investment Committee shall convene on a regular basis to:
 - a. Review the performance of NRCP's investment strategy and its overall investment portfolio;
 - b. Assess the current investment environment;
 - c. Implement changes in asset allocation in response to prevailing market conditions;
 - d. Evaluate potential investment outlets and opportunities not specifically covered under the company's investment policies.
 - e. Assess the performance of the company's investment managers, their compliance with the company's investment policies and the quality of their service.
3. From time to time, the Investment Committee shall also review the company's banking relationships and the performance of banks with which the company maintains operating accounts. The objective of this review will be to optimize the company's access to banking services while minimizing management fees and transaction costs.
4. The Investment Committee may delegate to NRCP's Chief Executive Officer and/or Chief Financial Officer the authority to execute day-to-day investment decisions in accordance with previously established strategies.
5. Notwithstanding any delegated authority, every investment transaction, including investment documents, shall be transacted only on the basis of the signing authorities approved by the Board of Directors.
6. NRCP's Chief Financial Officer shall, on a regular basis, provide the Investment Committee with a report on the status of the Company's investment. The report will include the following:
 - List of securities and their cost, market value and unrealized gain/loss;
 - Monthly calculation of investment performance;
 - List of transactions (including realized gain/loss);
 - Foreign exchange position and related realized / unrealized gains.

B. GENERAL POLICY STATEMENT AND GUIDELINES

1. The provisions of NRCP's investment policy shall apply to all financial resources of the Corporation.
2. NRCP shall manage its financial investments in a manner consistent with the following objectives:
 - **CAPITAL PRESERVATION.** Ensure the safety of principal through prudent management and diversification of investments.
 - **LIQUIDITY.** Ensure adequate cash flow from investments to meet cash requirements, both anticipated and unanticipated.
 - **PROFITABILITY.** Attain the highest possible level of income from investments, consistent with the objectives of capital preservation and liquidity.
3. The management of NRCP's investment portfolio will be active as opposed to passive. Active management uses investment strategies designed to increase portfolio value by exceeding average rates of return normally achieved using passive management.
4. Investment will not be made with trading or speculation (i.e. the intent to profit from short term changes or volatility in market conditions) as the dominant criterion.
5. NRCP's investment strategy will be established on the basis of a medium to long term perspective, with primary emphasis on asset allocation as against individual asset selection and/or marketing timing.
6. In administering its investments, NRCP shall at all times comply with the pertinent provisions of the Insurance Code an/or circulars, rules and regulations as may be established by the Insurance Commissioner in regard to investment allocation and allowable investment instrument.
7. NRCP, in pursuit of its investment objectives, shall at all times adhere to the following general guidelines which form the cornerstone of the Company's investment philosophy:
 - Diversity of investment portfolio.
 - Limit investments to instruments not exposed to significant risks.
 - Pre-qualify financial institution, intermediaries, advisors and other counterparties.
 - Perform rigorous analysis of potential investments.
 - Continuously monitor the investment portfolio.



- Structure investment portfolio so that instruments mature concurrent with cash needs.
 - Limit investments to those with active secondary or resale markets.
 - Establish suitable benchmarks for targeted returns.
 - Periodically review asset allocation model in response to market conditions.
8. Compliance with the policies and guidelines contained herein shall be monitored by the Company's Internal Audit Department which shall conduct an annual compliance audit of investment operations, the results of which shall be reported to the Board of Directors.

Reviewed and Approved on November 9, 2012 with the Investment Policy