<u>EXHIBIT A</u>

INVESTMENT POLICY STATEMENT OF

THE RETIREMENT SYSTEM OF THE TOWN OF GREENWICH

OBJECTIVES AND OPERATING GUIDELINES

Amended Through October 29, 2015

INVESTMENT POLICY STATEMENT OF
OBJECTIVES AND OPERATING GUIDELINES

I. INTRODUCTION

A. The Retirement System of the Town of Greenwich (the "Plan") is a defined benefit plan established to provide retirement benefits to participants in accordance with the benefit structure adopted by the Town. The members of the Retirement Board of the Town of Greenwich are the trustees ("Board") under the Plan.

B. The Board is charged, pursuant to Article 14 of the Town of Greenwich Charter (the "Charter"), with responsibility for the investment of the assets of the Plan (the "Fund"). To assist the Board in this function, the Plan authorizes the engagement of the services of professional investment managers (the "Manager(s)") who accept full fiduciary responsibility and possess the necessary specialized research facilities and skills to manage a particular asset class(es). The Board having delegated said investment authority, has empowered the Managers with the sole and exclusive power and authority to manage the investment assets of the Plan, including the power to acquire and dispose of said assets, subject to guidelines and limitations formulated with the assistance of an investment consultant ("Investment Consultant") contained herein and in the Charter including but not limited to Section 208 of the Charter.

C. Pursuant to Section 208 of the Charter, all investments of the funds of the Retirement System shall be made with the care of a prudent investor in accordance with, and subject to, the limitations of the General Statutes relating to the investment of trust funds held by trustees. The Retirement Board or the corporation trustee, as the case may be, may invest funds of the Retirement System in any securities, or other property, which they may select to an amount not exceeding seventy-five percent (75%) of the total funds of the Retirement System. The remainder of said funds shall be invested exclusively in cash and diversified fixed income securities and such securities shall not include any equity, real estate, tangible, commodity or private equity investment.

D. It is the intent of this Statement to establish an attitude and/or philosophy that will hold to assure the achievement of the performance desired. It is intended that this statement be sufficiently specific to be meaningful but sufficiently flexible to be practicable. Specifically, this document is set forth to:

1. Briefly outline the investment related responsibility of the Board and the Managers retained to manage the Funds.

2. Establish formal, yet flexible investment guidelines incorporating prudent asset allocation and realistic total return goals.

3. Provide a framework for regular constructive communication between the Board and the Managers.

4. Create standards of investment performance by which the Managers agree to be measured over a reasonable time period.

E. The policies in this Statement upon adoption by the Board shall supersede and replace all prior Investment Policy Statement(s) and are hereby incorporated into all existing and any future Investment Manager Agreements.

F. This Statement may be amended by the Board both upon their own initiative and upon consideration of the advice and recommendation of the Managers and other fund professionals. Any proposed modifications by the Managers should be documented in writing to the Board. Periodically, the Board will review this Statement for relevance to and consistency with governing law and the financial objectives of the Fund.

II. IDENTIFICATION OF DUTIES

There are several parties acting as fiduciaries regarding the investment program for the Fund. Specific duties and responsibilities for the investment-related parties as they carry out their specific roles towards achieving the objectives of the Fund are set forth below.

A. RETIREMENT BOARD

1. Shall establish, develop and implement an Investment Policy Statement and the strategic investment policy for the Fund, including asset allocation, rebalancing, cash management and periodic review of all policies in light of any changes in market conditions and actuarial assumptions.

2. Select qualified Managers and consultants to manage and advise on the Fund, respectively.

3. Monitor and review the investment performance of the Fund to determine achievement of goals and compliance with policy guidelines.

4. Monitor and evaluate Manager performance.

5. Establish a procedural due diligence search process.

6. Conduct Manager searches when needed for policy implementation.

B. INVESTMENT CONSULTANT

1. The Investment Consultant shall assist the Board in developing and modifying the policy objectives and guidelines, including the development of an asset allocation strategy and recommendations on the appropriate mix of investment manager styles and strategies, including consideration of projected plan liabilities, cash flows and assumed rates of return. The Investment Consultant shall act as a fiduciary to the Fund.

2. Additionally, the Investment Consultant shall provide assistance in manager searches and selection, investment performance calculation, evaluation, and any other relevant analysis. The Investment Consultant shall provide timely information, written and/or oral, on investment strategies, instruments, managers and other related issues, as requested by the Board.

3. The Investment Consultant shall also be responsible for reporting to the Board on the activities and results of other pension and public funds.

C. INVESTMENT MANAGERS

The duties and responsibilities of each of the Managers retained by the Board are listed below.

1. Invest the assets under its discretion in accordance with the Charter and the policy guidelines and objectives expressed herein.

2. Exercise investment discretion within the guidelines and objectives stated herein. Such discretion includes decisions to buy, hold or sell securities in amounts and proportions reflective of the Manager's current investment strategy and compatible with the investment objectives stated herein.

3. Comply with all provisions pertaining to the Manager's duties and responsibilities as a fiduciary. The assets under its management should be invested with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent investment expert, acting in a like capacity and familiar with such matters, would use in the investment of the Fund's assets.

4. Ensure that all portfolio transactions are made on a "best execution" basis.

5. Exercise ownership rights, where applicable, through proxy solicitations and voting of proxies strictly for the economic benefit of the Fund.

6. Meet with the Board or its designees as needed upon request of the Board. Quarterly reports are to be submitted in writing within 30 days after the end of each quarter except for Fund of Funds which are required to be submitted in writing within 90 days after the end of each quarter.

7. Promptly inform the Board or its designees regarding all significant matters pertaining to the investment of the Fund assets.

8. Promptly inform the Board or its designees of any material changes in management structure, changes in the ownership of the firm or changes in investment process.

9. Initiate written communication with Board or its designees when the Manager believes that this Investment Policy is inhibiting performance and/or should be altered for any valid reason. No deviation from the guidelines and/or objectives established in the Policy is permitted until after such communication has occurred and the Board have approved such deviation in writing.

D. BANK CUSTODIAN

The bank or other custodian(s) will hold all cash and securities, and will regularly summarize these holdings for the Board's review. Duties of the custodian shall include but not be limited to:

1. Safekeeping of securities.

2. Collection of interest and dividends.

3. Collection of proceeds from mature securities.

4. Processing of all Manager transactions.

5. Notifying Managers of proxies, tenders, rights, fractional shares or other dispositions of holding.

6. Accepting daily instructions from the Managers.

7. Disbursement of all income or principal cash balances as directed.

8. Managing the securities lending program, if applicable.

9. Resolve any problems that designated investment staff may have relating to the custodial account.

10. Providing monthly statements by investment account and a consolidated statement of all assets.

11. Working with the investment consultant and the Investment Funds' accountant to ensure accuracy in reporting.

12. Working with Investment Managers to ensure monthly reconciliation of custody and Managers' accounting statements.

13. At the direction of the Board, liquidate in a timely manner any securities received as distributions from alternative asset Investment Managers.

III. INVESTMENT GOALS AND OBJECTIVES OF THE PLAN

A. Assets of the Fund shall be invested to ensure that principal is preserved and enhanced over the long term, both in real and nominal terms.

B. The Fund's primary goal is to earn a total return, consistent with prudent investment management practices, and the return and risk parameters established by the Board, including the actuarial return target. Total return, as used herein, includes income plus realized and unrealized gains and losses in the Fund.

C. A real rate of return should be earned to protect and enhance purchasing power of the Fund. The real rate of return is the return over the rate of inflation (as measured by the Consumer Price Index). Additionally, a long-term nominal return goal shall be earned based upon Appendix I. The long-term nominal return investment is the return projected to provide a high probability of achieving the long-term investment objectives within acceptable risk levels. The Board is aware that there may be short term deviations from these long-term goals, and shall evaluate compliance with these and other performance expectations over the time frames outlined in Subsection D (6) below.

D. PERFORMANCE EXPECTATIONS

1. The Fund's total net return shall be evaluated on a regular basis versus the current actuarial rate of return and the Policy targets for return and risk that are established by the Board. Gross returns shall also be evaluated on a risk-adjusted basis versus other public pension funds as represented by the Consultant's Public Pension Peer Universe. While over long-term time periods (3-5 years or longer) it is expected that the Fund's total gross return shall meet or exceed the total gross return of the median public fund and exceed the return of the Board's Policy Index. (See Appendix II for the applicable benchmarks and Appendix III for an explanation of the Policy Index), the Board recognizes that differences in Policy targets among the public funds in the Public Peer Universe and the Fund will impact risk-adjusted return comparisons. The Fund's Financial Composite, consisting of all liquid asset class investments, may also be used to evaluate the performance of the Fund during short-term periods when the availability and relevance of private market benchmarks are less meaningful.

2. Equity Managers

a) Total return for domestic equity specialist Managers shall meet or exceed the return of the Russell 1000, Russell 2000 or an appropriate index based on the Manager's style, and shall consistently rank in the top half of the consultant's appropriate domestic equity specialist fund universe.

b) Total return for international equity and emerging equity specialist Managers shall meet or exceed the return of the Morgan Stanley EAFE (Europe, Australia and Far East) international index and/or the Morgan Stanley EME (Emerging Market Equity) index (gross of dividends). Additionally, each investment manager shall consistently rank in the top half of the Investment Consultant's universe of international and emerging equity specialist managers.

3. Fixed Income Managers

a) Total return for domestic fixed income Managers shall consistently meet or exceed the return on the Barclays Capital Aggregate Bond Index or an appropriate index based on the Manager's style, and shall consistently rank in the top half of the consultant's appropriate domestic fixed income specialist fund universe.

b) Total return for high yield fixed income Mangers shall consistently meet or exceed the return of the Barclays Capital High Yield Index or an appropriate index based on the Manager's style, and shall consistently rank in the top half of the consultant's appropriate high yield fixed income specialist fund universe.

c) Total return for global and emerging markets fixed income Managers shall consistently meet or exceed the return of the Barclay Global Aggregate and JPM EMBI Global Diversified, respectively, or an appropriate index based on the Manager's style, and shall consistently rank in the top half of the consultant's appropriate global fixed income specialist fund peer universe.

d) Total return for unconstrained bond or fixed income funds shall consistently meet or exceed the London Interbank Offered Rate or another appropriate index based on the Manager's style, and shall consistently rank in the top half of the consultant's appropriate high unconstrained bond or fixed income universe.

4. Real Asset Managers

a) Total return for TIPS fixed income managers shall meet or exceed the return of the Barclays US TIPS Index or an appropriate index based on the Manager's style, and shall consistently rank in the top half of the consultant's appropriate global fixed income specialist fund peer universe.

b) Total return for the commodity manager shall meet or exceed the return of the Dow-Jones (DJ) UBS Commodity Index or an appropriate index based on the Manager's style and shall consistently rank in the top-half of the consultants active commodity specialist fund peer universe.

5. Alternative Asset Managers

a) Total return for real estate Managers shall consistently meet or exceed the return of the National Council of Real Estate Investment Fiduciaries (NCREIF) or an appropriate index based on the Manager's style, and shall consistently rank in the top half of the consultant's appropriate real estate specialist fund universe.

b) Total return for private equity Managers shall consistently meet or exceed the return of an appropriate index, selected for that particular investment fund based on the style and strategy employed. Examples of appropriate benchmarks include, but are not limited to: Cambridge Associates All Private Equity (Lag), NASDAQ, S&P 500, combination of S&P 500 and Barclays Aggregate Index. The return shall also rank favorably versus the consultant's or other industry appropriate private equity universe.

c) Total return for private debt shall exceed the return of comparable public markets index or other appropriate indices selected based on the style and strategy employed by individual Managers. The return shall also rank favorably versus the consultant's or other industry appropriate private debt peer universe of similar vintage year.

6. The Fund's risk exposure and risk-adjusted gross returns will be regularly evaluated and compared with the total risk exposure and risk adjusted returns of other public funds. The Fund's risk exposure is expected to be midrange (25^{th} to 75^{th} percentile) relative to the consultant's universe of other public funds. Risk-adjusted gross returns are expected to consistently rank in the top half of the consultant's universe of comparable public funds. (See Appendix III for an explanation of risk-adjusted returns). For the purposes of this comparison, volatility or standard deviation of returns will serve as the primary measure of Fund risk.

7. Normally, results will be evaluated over a three to five-year time horizon, but shorter term results will be regularly reviewed and earlier action taken if the Board, in it's sole discretion, determines such action to be in the best interest of the Fund.

IV. PERMISSIBLE INVESTMENTS

In fulfilling the investment objectives set forth above, the Fund's assets may be invested in the following types of securities and investments:

A. **Domestic Equity Investments** are permitted and may include common stocks traded over-the-counter or on a domestic stock exchange. American Depository Receipts (ADR's), which are dollar denominated foreign securities traded on domestic U.S. stock exchanges, may be held by each domestic Manager. It should be noted that exposure to this asset class will be maintained via exchange traded and index funds, which are expected to track a mandated specific index and may include common stocks traded over-the-counter or on a domestic stock exchange. Convertible bonds, preferred stocks, warrants and rights may be purchased as equity substitutes so long as the underlying equity meets with applicable standards. A Manager should not purchase securities for the Fund unless the Manager has determined that the securities to be purchased are of equity suitable for the account.

B. **Domestic Fixed Income Securities** are permitted and may include U.S. Government and Agency obligations, corporate bonds, bank loans, asset backed securities, agency guaranteed mortgage pass-through securities and low risk collateralized mortgage obligations, such as Planned Amortizations Class Level 1 and Sequentials, commercial paper, certificates of deposit. Managers may also invest in U.S. dollar denominated issues of international agencies, supra-nationals, foreign governments and foreign corporations (i.e. Eurodollar and Yankee bonds).

C. **International Investments** are permitted and may include equity and fixed income securities. International investments shall only be entered into through the selection of qualified investment management organization as consistent with fiduciary responsibilities. An international Manager employing an active currency management program may, upon specific authorization of the Board deal in futures and options within the discipline of that currency management program.

D. **Alternative Investments** are permitted, upon specific authorization of the Board to provide volatility protection or enhance the rate of return over time. The Board recognizes that alternative assets are potentially more risky than other investments of the Plan.

E. **Cash Equivalents** and other short-term funds are permitted and may be invested in direct U.S. Government obligations such as U.S. Treasury Bills or repurchase agreement, which are fully collateralized by U.S. Treasury issues. Unless expressly prohibited by the Board, excess cash may be invested in Short Term Investment Fund of the Custodian Bank(s) or negotiable certificates of deposit, or other short-term investment vehicles designated by the Trustees. Such investments should be rated AA, A1/P1 or equivalent and above.

F. **Derivatives such as Futures and Options** strategies may be employed by the managers, upon specific written authorization of the Board, on equity and fixed income investments to provide volatility protection or enhance the rate of return over time. Such derivatives may include futures, exchange traded funds ("ETFs") or other strategies to gain a market exposure that is otherwise allowed herein through traditional investments.

G. **Commingled funds and/or institutional mutual funds** may be used as investment vehicles; provided, however, that commingled and collective investment funds may only be used to the extent authorized under the Plan. The Board recognizes that they cannot give specific policy directives to a fund (whose policies are already established). Therefore, the Board understands that investments in commingled or mutual funds shall be managed in accordance with the objectives, policies, and restrictions set forth in the commingled fund's guidelines or mutual fund's prospectus.

H. **Commingled unconstrained bond or unconstrained fixed income funds** may be used as investment vehicles. These funds may invest in long and short positions in domestic, foreign and emerging market bonds and loans, global fixed income markets, interest rate exposure, global credit sectors, securitized assets, emerging market debt and currencies. Unconstrained bond strategies may make extensive use of relative value trades, arbitrage techniques and directional trades, often with the use of derivatives, and may provide specific exposure to credit risks, liquidity risks and currency risks. Derivatives may be used by the fund for investment or hedging purposes, leverage or other purposes. Derivatives may include swaps, collars, futures, forward contracts, index products, options, puts, calls and other derivatives. The Board recognizes that the Board cannot give specific policy directives to a fund (whose policies are already established), and that its policies may not in all respects comply with other provisions of this Investment Policy Statement (especially as regards use of derivatives). Therefore, the Board understands that investments in commingled unconstrained bond or unconstrained fixed income funds shall be managed solely in accordance with the objectives, policies and restrictions set forth in the fund's guidelines or the mutual fund's prospectus, and that its authorization to invest in such a fund amounts to a new category and is not subject to any contrary policy directives set forth in this Statement that would apply to other investments. The Board further recognizes that the need to permit commingled fixed income fund managers to adopt strategies that do not result in potentially precipitous decreases in net asset value as a result of expected progressive increases in market interest rates – in effect, to hedge such increases – requires the fund managers to have significant flexibility in investment strategy and requires a broader and more flexible mandate than is appropriate for other investments. To the extent that the investment of such a fund are invested (directly or indirectly through derivatives or otherwise) in fixed income securities or exposures and not invested (directly or indirectly through derivatives or otherwise) in equity, tangible commodities or real estate, it is the intent of the Retirement Board that such funds shall be classified as ‘fixed income’ securities for purposes of Section 208(a) of the Charter of the Town of Greenwich.

V. INVESTMENT MANAGER GUIDELINES

A. General

1. Full discretion shall be granted to the Managers regarding the asset allocation, the selection of securities, and the timing of transactions, within the parameters of the objectives and guidelines described herein.

2. While the Board is sensitive to excessive turnover, there shall be no specific limitation in this regard, in order to allow the Manager(s) flexibility to adjust the asset mix in changing market conditions.

3. Flexible management of the portfolio is permitted, and while the Board is appropriately sensitive to book losses, there is no justification to hold a particular security, or to manage the collective assets, for the principal purpose of avoiding the recognition of a book loss.

4. Compliance with all limitations, guidelines and restrictions must be monitored by the Manager on a regular basis (monthly or more frequently when market conditions warrant) and based on then current market values. In the event that the Manager’s portfolio moves out of compliance with these limitations, guidelines and restrictions for any reason, the manager must bring the portfolio into compliance immediately. If the portfolio cannot be brought into compliance immediately or the Manager has reason to believe that it would not be prudent to bring the portfolio into compliance immediately, the Manager must immediately notify the Board in writing and submit a written request to the Board for a compliance waiver. The written request should provide a discussion of the circumstances creating the non-compliance and a recommended course of action.

5. Managers shall make all portfolio transactions on a “best execution” basis. Arrangements to direct commissions shall only be implemented when specifically authorized by the Board

6. Unless otherwise noted, Managers may not invest in the following:

    a) Non-taxable municipal securities should not normally be held unless pricing anomalies in the market place suggest the likelihood of near-term capital gains when the normal spread relationships resume

    b) Direct purchases of real estate (although stock may be purchased in real estate investment trusts or other real estate companies.)

c) Short sales

d) Margin purchases

e) Lettered stocks or bonds, private placements, or unregistered securities, except 144A securities with registration rights.

f) Securities of related companies of the asset manager(s) or custodian

g) With the exception of private equity and debt managers, investments in companies for the purpose of exercising management or control over those companies

h) With the exception of commingled index fund managers, active managers cannot hold Exchange Traded Funds (ETFs) in lieu of cash for more than 15 business days without notifying the Board.

B. Active Domestic Equity Managers

1. Equity Managers will be expected to manage their holdings in order to maximize net long-term returns. It is contemplated that equity specialist Managers shall normally be fully invested, maintaining a 95-100% equity.

2. No purchase shall be made, which would cause a holding to exceed 5% of the market value of the issue outstanding.

3. Short selling is expressly prohibited.

4. Equity Managers may invest up to 5% of their portfolio holdings in reserve and cash equivalent investments. However, these investments should be made primarily on the basis of safety and liquidity, and only secondarily by yield available. Such securities shall reasonably carry the equivalent of S&P A1 or Moody P-1.

C. Active Domestic Fixed Income Managers

1. Fixed-income securities are to be selected and managed to ensure appropriate quality and maturity exposure, consistent with these guidelines and current money market and economic conditions. “Active” bond management (i.e., over or underweight sectors, securities, maturities, duration relative to benchmark) is encouraged, as deemed appropriate by the Managers. Fixed income specialist may vary the bond commitment from 95-100% of assets under their discretion.

2. The overall average quality rating of each high-grade portfolio shall be at least A or equivalent rating. If an issue is split-rated, it will be governed by the lower quality rating. The overall average quality of each high yield portfolio shall be B or better. All ratings are as defined by Moody's or S&P agencies.

3. The diversification of securities by maturity, quality, sector and coupon is the responsibility of the manager.

4. No security, excepting issues of the US Government or its agencies or mutual funds, shall comprise more than 5% of the Manager's total portfolio of assets, measured at market. Further, no individual portfolio shall purchase more than 5% or hold more than 6% of its assets in the securities of any single issuer, excepting issues of the US Government or its agencies. (For mortgage-backed securities, an issuer is defined as a separate trust.)

5. There shall be no use of options, financial futures or other specialized investment activity without the prior written approval of the Trustees.

6. The average duration (interest rate sensitivity) of an actively managed portfolio shall not be more than +/- 2 years to the passive benchmark. (See Appendix III for an explanation of duration.)

7. Compliance with the rating provided for in this Investment Policy Statement as defined by Moody's or S&P is not sufficient for an issue to be deemed an appropriate investment. Each investment manager is responsible for making an independent analysis of the credit-worthiness of securities and their appropriateness as an investment for this fund regardless of the classification provided by the rating service.

8. Fixed income specialist managers are permitted to hold below-investment grade securities. The managers should determine that the securities that they hold are suitable for this account.

D. Active International Equity Managers

1. International equity securities are expected to be issued by non-U.S. corporations, although the Manager has latitude to hold U.S. securities provided that such investments are consistent with attainment of the portfolio's investment objective and do not exceed 5% of the Manager's portfolio.

2. These portfolios should be considered as "equity funds" and shall normally be fully invested, maintaining a 95%-100% equity exposure.

3. Short-term reserves may be held in U.S. dollar denominated securities or investment vehicles available through the Fund's custodian.

4. Decisions as to the number of issues held and their geographic distribution shall be left to the Manager provided that equity holdings in any one company, excluding mutual funds, do not exceed 6% of the market value of the Manager's portion of the Fund's portfolio without the written consent of the Board. Managers may employ an active currency management program and deal in futures and option within the disciplines of that currency management program subject to the derivatives guidelines set forth in Section VI. Derivatives Policy below.

E. Global Fixed Income Managers (Other Than Unconstrained Bond or Fixed Income Managers)

1. The Plan's global and emerging markets fixed income portfolio should be considered as "bond funds" and shall normally be fully invested, maintaining a 90-100% bond exposure.

2. Short-term reserves may be held in U.S. dollar denominated securities or investment vehicles available through the System's custodian or sub-custodian banks. Short-term funds must be rated A1 (S & P) or P1 (Moody's) or the equivalent using similar credit criteria.

3. Decisions as to the number of issues held and their geographic distribution shall be left to the Manager.

4. Upon specific authorization of the Board, global Managers may employ an active currency management program and deal in futures and options within the discipline of that currency management program. In the context of an active currency management program, cross currency and proxy hedging is allowed. The use of such contracts is designed to dampen portfolio volatility rather than leverage portfolio risk exposure. Currency contract may also be used to either hedge the portfolio's currency risk exposure or in the settlement of securities transactions.

5. The overall average quality of each global fixed-income portfolio shall be A or higher. Non-rated issues may be purchased, provided that in the judgment of the Manager, they are of a quality sufficient to maintain the average overall portfolio quality of A or higher.

F. Real Estate Investment Managers

1. Real estate assets are defined as those investments, which are un-leveraged or leveraged private equity positions in real property. Real estate investments

may be included in the Fund in order to reduce year-to-year volatility without significantly reducing overall expected real return.

2. The Real Estate Investment Program utilizes discretionary commingled fund investment vehicles that are sponsored by real estate Investment Managers. It is an objective of the Board to encourage the minimum number of manager relationships necessary to prudently diversify associated manager risk while seeking to maximize fund efficiency.

3. Program Control and Monitoring – All managers are required to adhere to contractual agreements as approved by the Board. Specific guidelines are determined by the approved vehicle and its legal requirements which must be reviewed and approved during a complete due diligence. At a minimum, each vehicle must provide quarterly reporting.

G. Alternative Asset Managers

The guidelines listed below shall apply to all Alternative portfolios, unless otherwise noted:

1. Because of the nature of these investments, The Fund shall endeavor to systematically commit additional funds to this asset class over time, in order to maintain exposure and remain in line relative to the Fund's target asset allocation as shown in Appendix I.

2. The Fund shall only invest in alternative assets when there is sufficient transparency and policy compliance reporting. The Board recognizes that alternative assets are potentially more risky than other investments of the Fund.

3. The Fund's committed capital in a single partnership/fund shall not exceed 10% of the committed capital of that partnership/fund.

4. References on a general partner must be checked by the consultant prior to investing in a fund.

H. Unconstrained Bond and Fixed Income Fund Managers.

1. The Plan's global and emerging markets fixed income portfolio should be considered as "bond funds" and shall normally be fully invested, subject to maintaining sufficient cash reserves to pay expenses and satisfy expected levels of redemptions.

2. Decisions as to the number of issues held, geographic distribution, use of derivatives, relative value trades, arbitrage techniques and directional trades and other techniques shall be left to the Manager.

3. Unconstrained Managers may employ an active currency management program and may deal in futures and forward contracts, options and derivatives within the guidelines established by the Managers. It is expected that the Manger's use of such products may create leverage, but that their use shall be employed within the framework of a conservative fixed income strategy and should serve, overall, to reduce portfolio volatility.

VI. DERIVATIVES POLICY

A. A derivative is a security or contractual agreement, which derives its value from some underlying security, commodity, currency, or index.

1. Types of Derivative Contracts

a) Forward-based derivatives, including forward contracts, futures contracts, swaps, and similar instruments

b) Option-based derivatives, including put options, call options, interest rate caps and floors, and similar instruments.

2. Types of Derivative Securities

a) Collateralized Mortgage Obligations (CMOs)

b) Structured Notes

B. The use of derivative securities is permitted as described under Section IV (F), Section IV (H) and Section V (H).

C. Where appropriate, managers may use derivative contracts for the following reasons:

1. Hedging. To the extent that the portfolio is exposed to clearly defined risks and there are derivative contracts that can be used to reduce those risks, the investment managers are permitted to use such derivatives for hedging purposes, including cross hedging of currency exposures.

2. Creation of Market Exposures. Managers are permitted to use derivatives to replicate the risk/return profile of an asset or asset class provided that the guidelines for the Manager allow for such exposures to be created with the underlying assets themselves.

3. Managers may not use derivative contracts or securities for the following purposes:

   a) Leverage. Other than as applied as a part of an unconstrained bond or fixed income strategy, derivatives shall not be used to magnify overall portfolio exposure to an asset, asset class, interest rate, or any other financial variable beyond that which would be allowed by a portfolio's investment guidelines if derivatives were not used.

   b) Unrelated Speculation. Derivatives shall not be used to create exposures to securities, currencies, indices, or any other financial variable unless such exposures would be allowed by a portfolio's investment guidelines if created with non-derivative securities.

VII. INVESTMENT MANAGER: STANDARD OF INVESTMENT PERFORMANCE

A. General Guidelines

1. Performance of the Fund and individual Managers will be evaluated on regular basis. Consideration will be given to the degree to which performance results meet the goals and objectives as set forth in these policy guidelines. Toward that end, the Managers will be evaluated relative to the Board's accepted benchmark as well as to other similarly managed funds.

2. In addition to reviewing each Manager's results, the Board will re-evaluate, from time to time, its own progress in achieving the objectives set for the Fund overall. This re-evaluation will involve an assessment of the continued appropriateness of: (1) the overall asset allocation; (2) the allocation of assets among the Managers; and (3) the investment objectives for the Fund.

3. The Board may recommend appointment of investment consultants to assist in the ongoing evaluation process. The consultants selected by the Board are expected to be familiar with the investment practices of similar retirement plans and will be responsible for suggesting appropriate changes in the investment program over time.

B. Manager Probation

1. Managers may be placed on a watch list or probation in response to the Board's concerns about significant changes in ownership structure, turnover in key personnel, changes in investment process, recent or long term investment results, failure to comply with the investment guidelines, anticipated changes in Fund structure, or any other events which the Board deems appropriate.

2. Attainment of investment objectives does not guarantee continued employment by the Board nor does failure to achieve these guidelines ensure dismissal. Managers serve at the discretion of the Board.

3. A Manager on probationary status will not be eligible to receive additional investment funds.

VIII. MANAGER REPORTING REQUIREMENTS

A. The Board shall meet with the Managers no less often than once a year to review the status and prospects of the fund relative to the above policies and objectives. Further it is expected that the Managers will provide in writing to the Board and its consultant:

1. As Necessary (based on occurrence)

    a) Immediate notice of significant changes in key investment personnel, organization, philosophy, strategy or assets under management.

2. Quarterly

    a) Performance Review

        i. Present total fund and asset class returns for last calendar quarter, calendar year-to-date, fiscal year-to-date, last year, last three years, last five years and since inception versus designated benchmarks.

        ii. Discuss performance relative to benchmarks, provide attribution analysis, which identifies returns due to allocation and selection decisions, or returns due to duration positioning or returns due to geographic selection, as appropriate to the manager's strategy.

        iii. Provide portfolio holdings listing individual securities, as appropriate, by sector, asset class, or country.

        iv. For equity managers, present book value and current market value for all securities held

        v. Each Manager that invests Fund assets in derivatives shall also report on derivative positions held during the quarter and how the position affected the risk exposure of the total portfolio.

The investment policy, and any subsequent amendment to the investment policy will be promptly delivered to all parties with specific investment related duties and responsibilities with respect to the Fund, including the Investment Consultant, Managers and Custodian. The acceptance of this Policy may be accepted and signed in a series of counterparts in which a copy of same shall suffice as an original.

FOR THE RETIREMENT BOARD

Accepted by:

Printed Name

Title

Date

FOR THE INVESTMENT CONSULTANT

Accepted by:

Signature

Printed Name

Title

Date

APPENDIX I

TARGET POLICY

The nominal long-term rate of return objectives for the Plan will be determined as part of the asset liability and asset allocation studies to be conducted. In order to have a reasonable probability of achieving this return, the Trustees have adopted the asset allocation policy outlined below.

Asset Class	Target Allocation%	Allocation % Range
Equities	**49%**	**35-75%**
Domestic Large Cap	22	10-30
Domestic Small Cap	11	5-15
International Equity	8	5-15
Emerging Markets Equity	8	3-12
Fixed Income	**31%**	**25-50%**
Diversified Core	8	0-25
High Yield Bonds	0	0-10
Bank Loans	3	0-10
Global Bonds	0	0-10
Emerging Market Debt	5	0-10
Private Debt	6	0-12
TIPS Index	0	0-10
Unconstrained Bond	9	0-25
Alternatives	**19%**	**10-30%**
Real Estate	5	0-15
Private Equity	11	0-20
Real Assets / Commodities	3	0-10
Cash	**1%**	**0-10%**

***Approved at the October 29, 2015 meeting of the Retirement Board**

The overall structure of the fund shall be targeted to the ranges reflected above, but may vary on a tactical (short-term) basis within prescribed limits. The Board shall review the Target Policy allocations and ranges on a regular basis and make changes as appropriate. Interim Policy Targets may be used to manage the Policy Allocation when over- and under-weightings to illiquid asset classes exist.

APPENDIX II – PERFORMANCE BENCHMARKS

This Appendix to the Fund's guidelines is written to provide specific guidance regarding individual Manager assignments or classification, benchmarks, and exceptions. This Appendix, combined with the applicable sections of the statement of investment, goals and objectives provides a complete statement of investment objectives, rules, and guidelines for each of the Fund's investment managers, exclusive of rules or guidelines directly incorporated into contracts of other similar agreements.

Manager /Product Name	Passive Benchmark	Peer Group Assignment & Benchmark	Guideline exceptions & clarifications
U.S. Equity Managers			
Large Cap Core	Russell 1000 Index	The Consultant's Universe of Large Capitalization Core Managers	
Small Cap Core	Russell 2000 Index	The Consultant's Universe of Small Capitalization Growth Managers	
Non-U.S. Equity Managers			
International Equity	MSCI-EAFE Index, Unhedged	The Consultant's Universe of International Equity Managers	
Emerging Markets Equity	MSCI Emerging Markets Free Index	The Consultant's Universe of Emerging Markets Equity Managers	
U.S. Bond Managers			
Diversified Core	Barclays Capital Aggregate Bond Index	The Consultant's Universe of Core or Diversified Fixed Income Managers	
High Yield Bond	Barclays Capital High Yield Bond Index	The Consultant's Universe of High Yield Bond Managers	
Bank Loans	S&P/LSTA Leveraged Loan Index	The Consultant's Universe of Bank Loan Managers	
Global Bond Managers			
Global Bond	Citigroup World Government Bond Index	The Consultant's Universe of Global Bond Managers	
Emerging Markets Debt	JP Morgan EMBI Global Diversified Index	The Consultants Universe of Emerging Debt Managers	
Unconstrained Fixed Income	LIBOR	LIBOR	
Alternative Managers			
Real Estate	NCREIF (National Council of Real Estate Investment Fiduciaries)	The Consultant's Universe of Real Estate Managers	
Private Equity	Cambridge Associates All Private Equity (Lag),	The Consultant's Universe of Private Equity Managers	Benchmark and peer group will depend on

Manager /Product Name	Passive Benchmark	Peer Group Assignment & Benchmark	Guideline exceptions & clarifications
	NASDAQ, S&P 500, Barclays Capital Aggregate or appropriate combination based on investment strategy	and an appropriate database of similar (by style and vintage year) private equity funds over a long (5-10 year) period of time	timing and strategy of individual investments
Private Debt	Comparable public or private market benchmarks	The Consultant's Universe of Private Equity Managers and an appropriate database of similar (by style and vintage year) private equity funds over a long (5-10 year) period of time	

APPENDIX III – GLOSSARY

A. This appendix to the Investment Policy Statement is written to provide additional background regarding the selection and interpretation of various standards contained within the statement.

Preservation of capital in real and nominal terms…

B. Capital is expected to increase in absolute (nominal) terms, and also after consideration of the effects of inflation, i.e., in real terms. Real growth of principal is necessary to ensure that purchasing power is not eroded by inflation.

C. If assets begin at $100 and rise to $110, a nominal return of 10% would be earned. If inflation were 6%, a real return of 4% would be earned (10%-6%).

Total Gross Return should be competitive with other Public Funds…

D. Public Funds are typically more conservatively structured (have less money in equities) than many other types of institutional investment programs, such as corporate plans. As a result, they will usually trail other funds in up markets and do better in down markets. Accordingly, it is essential that a Public Fund peer group be used for comparative purposes.

Total return should meet or exceed the Fund’s Policy Index…

E. The Policy Index is constructed by using the targeted asset class benchmarks and percentages developed in Appendix I applied to market rates of return.

F. Risk-adjusted returns…

Risk-adjusted returns are usually calculated by isolating the return earned in excess of the risk free rate (the T-bill rate), and evaluating that return in relation to the extra risk (volatility, or standard deviation) incurred in earning the incremental return (Sharpe Ratio).

For example:

	Excess Excess Return			
	Return Risk		Return Divided by Risk	
T-Bills	8%	-	-	
S&P 500	12%	16%	4%	4/16=0.25
Manager A	12%	20%	4%	4/20=0.20

In this example, both the Equity Manager and the market earned 4% over T-Bills, but the Equity Manager incurred somewhat more risk and had lower risk-adjusted returns-not a desirable situation. A higher risk adjusted return indicates that more return was achieved for the amount of risk taken.

G. Duration…

Duration is a measure of interest rate sensitivity. It provides a ballpark estimate of how much the current price of a security (or the current cost of funding a liability stream) will vary for a given change in interest rates. For example, the price of a bond having duration of seven years will increase roughly 7% if interest rates decline 1%; also, the price of that bond will tend to decline 7% if rates go up 1%.

Duration may be the same as maturity, but usually is not. For example, a coupon bearing 20-year bond will typically have duration in the 6-7 year range. However, a 20-year zero-coupon bond will have duration of 20 years.

Accordingly, it is appropriate to conclude that a 20 year zero coupon bond is roughly three times more volatile, or aggressive, than a 20 year coupon bearing bond.

For example, the Barclays Capital Aggregate Bond Index has duration of approximately 5.0 years. The seven-year guideline, then, would permit active bond managers to hold a bond portfolio some 40% more volatile than the market (seven years versus five years). Clearly, this latitude would permit a manager the opportunity to structure a portfolio, which would appreciate more than the market in good times, when rates are declining. However, the risk of incurring higher losses than the market also exists if the manager extends to the maximum allowable term and rates increase.