

HOLLYWOOD POLICE OFFICER'S RETIREMENT SYSTEM

INVESTMENT GUIDELINES

AMENDED MAY 2017

PURPOSE OF INVESTMENT POLICY STATEMENT

The Pension Board of Trustees (“Board”) maintains that an important determinant of future investment returns is the expression and periodic review of the Retirement System’s investment objectives. To that end, the Board has adopted this statement of Investment Policy Guidelines and directs that it apply to all assets under the control of the Board.

In fulfilling their fiduciary responsibility, the Board recognizes that the System is an essential vehicle for providing income benefits to retired participants or their beneficiaries. The Board also recognizes that the obligations of the System are long-term and that investment policy should be made with a view toward performance and return over a number of years. The general investment objective, then, is to obtain a reasonable total rate of return - defined as interest and dividend income plus realized and unrealized capital gains or losses - commensurate with the Prudent Investor Rule and any other applicable statute or requirement.

A reasonably consistent and adequate return, protection of the assets against the inroads of inflation and safety of the assets are very important. However, the volatility of interest rates and securities markets make it necessary to judge results within the context of several years rather than over short periods of one or two years or less. Performance will be measured quarterly.

The Board, in performing its investment duties, shall comply with the fiduciary standards set forth in the Employee Retirement Income Security Act of 1974 (ERISA) at 29 U.S.C. s.1104(a)(1)(A)-(C). In case of conflict with other provisions of law authorizing investments, the investment and fiduciary standards set forth in this section shall prevail.

FUND OBJECTIVES

To conduct the operations of the System in a manner so that the assets will provide the pension and other benefits provided under applicable laws, including City ordinances, preserving principal while maximizing the rate of return to the fund.

INVESTMENT PERFORMANCE OBJECTIVES - QUARTERLY EVALUATION

A. The Total Fund

Beginning July 1, 2012, the performance of the portfolio will be compared to the return of a portfolio comprised of 19% of the S&P500 Index, 7% Russell 2000 Small Cap Index (R2000), 10% of the Russell 1000 Growth Index (R1000G), 7% of the Russell 1000 Value Index (R1000V), 7% S&P400 MidCap Index, 20.5% of the Barclays Capital Government Credit Index (BCGC), 20.5% of the Barclays Capital Intermediate Government Credit Index (BCIGC), 5% of the Barclays Capital Intermediate Aggregate Index(BCIAB) & 4% TBill.

Beginning January 1, 2014, the performance of the portfolio will be compared to the return of a portfolio comprised of 19% of the S&P500 Index, 7% Russell 2000 Small Cap Index (R2000), 10% of the Russell 1000 Growth Index (R1000G), 7% of the Russell 1000 Value Index (R1000V), 7% S&P400 MidCap Index, 7% of the NCREIF Real Estate Index, 17% of the Barclays Capital Government Credit Index (BCGC), 17% of the Barclays Capital Intermediate Government Credit Index (BCIGC), 5% of the Barclays Capital Intermediate Aggregate Index(BCIAB) & 4% TBill.

Beginning April 1, 2015, the performance of the portfolio will be compared to the return of a portfolio comprised of 24% of the S&P500 Index, 7% Russell 2000 Small Cap Index (R2000), 10% of the Russell 1000 Growth Index (R1000G), 7% of the Russell 1000 Value Index (R1000V), 7% S&P400 MidCap Index, 10% of the NCREIF Real Estate Index, 13% of the Barclays Capital Government Credit Index (BCGC), 13% of the Barclays Capital Intermediate Government Credit Index (BCIGC), 5% of the Barclays Capital Intermediate Aggregate Index(BCIAB) & 4% TBill.

Beginning July 1, 2017, the performance of the portfolio will be compared to the return of a portfolio comprised of 22% of the S&P500 Index, 7% Russell 2000 Small Cap Index (R2000), 13% of the Russell 1000 Growth Index (R1000G), 7% of the Russell 1000 Value Index (R1000V), 10% S&P400 MidCap Index, 10% of the NCREIF Real Estate Index, 11% of the Bloomberg Barclays Government Credit Index (BBGC), 11% of the Bloomberg Barclays Intermediate Government Credit Index (BBIGC), 5% of the Bloomberg Barclays Intermediate Aggregate Index (BBIAB) & 4% TBill.

B. Total Equity Portfolio

Beginning January 1, 2004, the performance of the total equity portfolio will be compared to the return of a portfolio comprised of 61.1% S&P500, 7.4% R2000, 18.5% R1000G & 13% R1000V. Beginning January 1, 2009, the performance of the total equity portfolio will be compared to the return of a portfolio comprised of 52% S&P500, 7.4% R2000, 18.5% R1000G, 13% R1000V & 9.1% S&P400. Beginning July 1, 2012, the performance of the total equity portfolio will be compared to the return of a portfolio comprised of 38% S&P500, 14% R2000, 20% R1000G, 14% R1000V & 14% S&P400. Beginning April 1, 2015, the performance of the total equity portfolio will be compared to the return of a portfolio comprised of 43.7% S&P500, 12.7% R2000, 18.2% R1000G, 12.7% R1000V & 12.7% S&P400. Beginning July 1, 2017, the performance of the total equity portfolio will be compared to the return of a portfolio comprised of 37% S&P500, 12% R2000, 22% R1000G, 12% R1000V & 17% S&P400.

C. Total Fixed Income Portfolio

Beginning October 1, 1992, the performance of the total fixed income portfolio will be compared to the return of a portfolio comprised of 50% BCGC and 50% BCIGC. Beginning July 1, 2011, the performance of the total fixed income portfolio will be compared to the return of a portfolio comprised of 44.5% BCGC, 44.5% BCIGC and 11% BCIAB. Beginning January 1, 2014, the performance of the total fixed income portfolio will be compared to the return of a portfolio comprised of 44% BCGC, 44% BCIGC and 12% BCIAB. Beginning April 1, 2015, the performance of the total fixed income portfolio will be compared to the return of a portfolio comprised of 42% BCGC, 42% BCIGC and 16% BCIAB. Beginning July 1, 2017, the performance of the total fixed income portfolio will be compared to the return of a portfolio comprised of 41% BBGC, 41% BBIGC and 18% BBIAB.

D. Alternative Investments

The Real Estate portion of the portfolio is expected to perform at a rate at least equal to the NCREIF Property Index.

E. For Inverness Counsel

The below listed performance measures will be used as objective criteria for evaluating effectiveness of the investment manager.

Total Fund Performance

1. The performance of the total fund will be measured each quarter for rolling three and five year periods. These periods are considered sufficient to accommodate the market cycles experienced with investments. Beginning October 1, 1999, the performance of the portfolio will be compared to the return of a portfolio comprised of 50% S&P500 Index, 22.5% of the BCGC Index, 22.5% BCIGC & 5% TBill. Beginning April 1, 2008, the performance of the portfolio will be compared to the return of a portfolio comprised of 33% S&P500 Index, 31% of the BCGC Index, 31% BCIGC & 5% TBill. Beginning January 1, 2009, the performance of the portfolio will be compared to the return of a portfolio comprised of 30% S&P500 Index, 32.5% of the BCGC Index, 32.5% BCIGC & 5% TBill. Beginning July 1, 2011, the performance of the portfolio will be compared to the return of a portfolio comprised of 35% S&P500 Index, 30% of the BCGC Index, 30% BCIGC & 5% TBill. Beginning July 1, 2012, the performance of the portfolio will be compared to the return of a portfolio comprised of 30% S&P500 Index, 32% of the BCGC Index, 32% BCIGC & 6% TBill. Beginning January 1, 2014, the performance of the portfolio will be compared to the return of a portfolio comprised of 33% S&P500 Index, 30% of the BCGC Index, 30% BCIGC & 7% TBill. Beginning April 1, 2015, the performance of the portfolio will be compared to the return of a portfolio comprised of 44.4% S&P500 Index, 24.3% of the BCGC Index, 24.3% BCIGC & 7% TBill. Beginning July 1, 2017, the performance of the portfolio will be compared to the return of a portfolio comprised of 46% S&P500 Index, 23% of the BBGC Index, 23% BBIGC & 8% TBill.
2. Inverness has a maximum allocation to foreign securities (equity and fixed combined) of fifteen percent (15%) of their Total Fund portfolio at cost.
As Inverness is the main Fixed Income manager, as of July 1, 2011, their Total Fund portfolio will have a minimum allocation to Fixed Income of fifty percent (50%) and a maximum allocation of one hundred percent (100%).
3. The evaluation period for Inverness will date from October 1, 1992.
4. Relative to other similar investment managers, it is expected the manager's performance with regard to the quarterly total return of combined equity, fixed income and cash portfolio will be in the top forty percent (40%) of the Mobius Universe over three to five year

periods. Attainment of the 40% is not a condition for retention. When quarterly performance is below the standard, the manager will report to the Board the reasons for the occurrence and the steps taken to avoid reoccurrence.

- F. For Wells Capital Management, Eagle Asset Management, Rhumblin Advisers EnTrustPermal Capital, ClariVest Asset Management & Sawgrass Asset Management.

The equity portion of the portfolio, defined as common stocks, convertible bonds, convertible preferred issues and international equities, is expected to perform over three and five year periods at a rate at least equal to, for:

Wells Capital Management, the Russell 1000 Value Index and in the top 40% of the Large Cap Value Equity Universe.

Eagle Asset Management, the Russell 2000 Small Cap Index and in the top 40% of the Broad Small Cap Equity Universe. Beginning January 1, 2009, the S&P 400 MidCap Index and in the top 40% of the Broad MidCap Equity Universe.

Rhumblin Advisers, the S&P400 MidCap Index and in the top 40% of the Broad MidCap Equity Universe.

EnTrustPermal Capital, the MSCI AC World Index and in the top 40% of the Broad Equity Universe

ClariVest, Sawgrass and Rhumblin Large Cap Growth, the Russell 1000 Growth Index and in the top 40% of the Large Cap Growth Universe.

The evaluation period for Wells Capital Management, July 1, 2015; for EnTrustPermal Capital, October 1, 2015; and for Eagle Asset Management, April 1, 2003; for ClariVest, Sawgrass and Rhumblin Large Cap Growth, July 1, 2017.

Investment Guidelines

The investment of the System's assets will be sufficiently diversified as to minimize the risk of losses. Factors to be considered in diversification of investments will include but not be limited to the following: the purpose of the System; the amount of System assets; financial, industrial and economic conditions.

Types of investment may include commercial paper, savings accounts, U.S. Government securities, and bonds and equities of domestic and foreign corporations.

1. Time, savings and money market deposit accounts of a national bank, a state bank or a savings and loan association insured by the Federal Deposit Insurance Corporation.
2. Obligations issued by the United States Government and its agencies or in obligations guaranteed as to principal and interest by the United States Government.
3. Stocks, bonds or other evidences of indebtedness issued by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, provided:
 - a. Equities are traded OTC or on one or more of the following recognized national exchanges:
 - 1) New York Stock Exchange
 - 2) American Stock Exchange
 - 3) The NASDAQ Stock Market
 - b. Not more than five percent (5%) of the market value of the System's total assets shall be invested in the common or capital stock of any one issuing company, nor shall the aggregate investment in any one issuing company be equal to or exceed five percent (5%) of the outstanding capital stock of the company.
 - c. The individual issue meets the following rating criteria:
 - 1) All corporate debt issues (bonds, notes, debentures) shall be rated in the highest four (4) categories of quality by any of the following listed services: Moody's, Standard and Poor's or Fitch's Manual.

Any issue, if downgraded below the fourth (4th) category by two (2) of the three (3) ratings services must either be sold or specifically approved for retention by the Board.
 - 2) Commercial Paper: Moody's P1 or Standard and Poor's A1.
4. Bonds issued by the State of Israel.
5. The use of unhedged and/or leveraged derivatives will not be allowed in any form.
6. Foreign stocks, bonds or other evidence of indebtedness denominated in United States Dollars may be bought provided:
 - a. Equities are traded in the form of ADR's or otherwise OTC or on one or more of the following recognized national exchanges:
 - 1) New York Stock Exchange
 - 2) American Stock Exchange
 - 3) The NASDAQ Stock Market

- b. The individual issue meets the following rating criteria:

All corporate debt issues (bonds, notes and debentures) shall be rated in the highest three (3) categories of quality by any of the following listed services: Moody's, Standard and Poor's, or Fitch's Manual.

Any issue if downgraded below the third (3rd) category by two (2) of the three (3) ratings services must either be sold or specifically approved for retention by the Board.

- 7. In addition to the above, all managers are subject to the following specific guidelines:

- a. In accordance with the provisions of Chapter 2009-97, Laws of Florida, no more than twenty-five percent (25%) of any investment manager's Total Fund portfolio, at market value, shall be invested in foreign (exclusive of the State of Israel) stocks or bonds. The Investment Manager must immediately notify the Board and the Investment Consultant when the foreign exposure reaches ten percent (10%). An explanation will be needed as to why the Investment Manager is changing their discipline.

- b. In accordance with the Protecting Florida's Investment Act (Fla. Stat. 215.473), the Board is prohibited from directly investing in any companies, identified by the State Board of Administration (SBA) on its website each quarter, as a scrutinized company. The investment Consultant and each investment manager shall review its investments each quarter to determine whether it is required to sell, redeem, divest or withdraw any publicly traded security of a company identified by the SBA as a scrutinized company and shall notify the Board each quarter, in writing, of the results of its review. Beginning no later than January 1, 2010, the Board, through its investment managers, shall sell, redeem, divest or withdraw all publicly traded securities it holds in any scrutinized company by no later than September 30, 2010 for Chapter 185 plans.

- 8. In addition to the above, Garcia, Hamilton & Associates, Inc. is subject to the following specific guidelines:

- a. The portfolio may be invested up to one hundred percent (100%) in fixed income.

- b. Returns will be measured against appropriate indexes and universes. For this purpose, the manager has indicated that the appropriate index is the Bloomberg Barclays Intermediate Aggregate Bond Index (BBIAB).

- 9. In addition to the above, Eagle Asset Management, Inc. is subject to the following specific guidelines:

- a. The portfolio may be invested up to one hundred percent (100%) in equities.
 - b. Returns will be measured against appropriate indexes and universes reflecting a small capitalization core equity style.
 - c. The initial amount allocated to this manager is \$5.0 million, which amount shall be allowed to increase through investment return and appreciation without limit.
10. In addition to the above, Wells Capital Management are subject to the following specific guidelines:
 - a. The portfolio may be invested up to one hundred percent (100%) in equities.
 - b. Returns will be measured against the Russell 1000 Value equity index the appropriate universe reflecting a large capitalization value equity style.
 - c. All stocks held must have a market capitalization of at least \$1 billion
 - d. The target amount to be transferred to this manager is \$10.5 million. The initial amounts allocated to this manager are as follows:

\$10.5 million which amount shall be allowed to increase through investment return and appreciation without limit.
11. In addition to the above, American Realty Advisors and Intercontinental Real Estate Corporation are subject to the following specific guidelines:
 - a. The portfolios may be invested up to one hundred percent (100%) in real estate investments.
 - b. Returns will be measured against appropriate indexes and universes reflecting a real estate portfolio.
 - c. The initial amount allocated to each manager is \$7.5 million, which amount shall be allowed to increase through investment return and appreciation without limit.
12. In addition to the above, Rhumblin Advisers, Inc. is subject to the following specific guidelines:
 - a. The portfolio may be invested up to one hundred percent (100%) in equities.
 - b. Returns will be measured against appropriate indexes and universes reflecting a mid capitalization core index equity style.

- c. The initial amount allocated to this manager is \$5.0 million, which amount shall be allowed to increase through investment return and appreciation without limit.
- 13. In addition to the above, EnTrustPermal Capital is subject to the following specific guidelines:
 - a. The System will not own securities directly, but will own them indirectly through a commingled EnTrust Capital-managed fund of funds that invests in underlying investment vehicles managed by portfolio managers;
 - b. These underlying managers may use derivatives, although EnTrust Capital will not do so directly;
 - c. EnTrust Capital will not invest directly in securities traded on any exchange or stock market or invest directly in foreign stocks or bonds, although underlying managers may do so.
 - d. It is understood that this investment is in a fund of funds vehicle for which some investments may not meet the guidelines set forth herein. The applicable investment guidelines for this investment are set forth in the Offering Memorandum and will be allowed.
- 14. In addition to the above, Rhumblin Advisers, Inc. is subject to the following specific guidelines:
 - a. The portfolio may be invested up to one hundred percent (100%) in equities.
 - b. Returns will be measured against appropriate indexes and universes reflecting a large capitalization growth index equity style.
 - c. The initial amount allocated to this manager is \$10.0 million, which amount shall be allowed to increase through investment return and appreciation without limit.
- 15. In addition to the above, ClariVest Asset Management LLC is subject to the following specific guidelines:
 - a. The portfolio may be invested up to one hundred percent (100%) in equities.
 - b. Returns will be measured against appropriate indexes and universes reflecting a large capitalization growth equity style.
 - d. The initial amount allocated to this manager is approximately \$14.0 million, which amount shall be allowed to increase through investment return and appreciation without limit.
- 16. In addition to the above, Sawgrass Asset Management LLC is subject to the following specific guidelines:

- a. The portfolio may be invested up to one hundred percent (100%) in equities.
- b. Returns will be measured against appropriate indexes and universes reflecting a large capitalization growth equity style.
- c. The initial amount allocated to this manager is approximately \$14.0 million, which amount shall be allowed to increase through investment return and appreciation without limit.

OVERALL ASSET ALLOCATION

1. Constraints. The Board believes the System’s risk and liquidity posture are, in a large part, a function of the asset class mix. The Board has reviewed the long-term performance characteristics of various asset classes focused on balancing risk and rewards of market behavior. The following asset classes, as generally defined by professional investment standards, were selected:

- a. Cash (cash equivalents)
 - Domestic fixed income
 - Domestic large capitalization equities
 - Domestic small capitalization equities
 - International equities

b. Strategic Guidelines. Based on the System’s time horizon, risk tolerance, performance expectation and asset class preference, an efficient or optimum portfolio to achieve the investment goals while diversifying assets has been identified. The strategic asset allocation (normal weighting) of the plan is as follows:

<u>Asset Class</u>	Lower <u>Limit</u>	Normal <u>Weighting</u>	Upper <u>Limit</u>
Cash or cash equivalents	0%	4%	5%
Domestic fixed income	22%	27%	60%
Large company domestic equities	42%	52%	57%
Small company domestic equities	0%	7%	10%
Convertible securities	0%	2.5%	5%
Real Estate	0%	10%	15%

The allocations above are based on market values. At no time shall all equities combined exceed sixty seven percent (67%) of the total System, nor may all equities plus convertible securities exceed 75% of the total System, based on market values.

2. Rebalancing

- a. Rebalancing of strategic asset allocation: If the allocation to any one asset class exceeds the guidelines, the Board will take measures to rebalance the System's assets through instructions as outlined below. When the Board gives instructions for rebalancing it will attempt to reallocate the trust assets to percent weightings as close to the normal weighting, as outlined above, as it sees fit. Rebalancing should be completed by the end of the quarter next following the quarter for which the Performance Report was compiled.
- b. Instructions: Rebalancing is to be done first with cash flows expected within the forthcoming quarter. If there are insufficient cash flows to rebalance the fund to the Board's instructions, the Board shall effect transactions to accomplish the rebalancing. The Board will utilize the Investment Consultant to assist in the rebalancing process.

INVESTMENT MANAGER

The Board will select a professional Investment Manager(s), that meet(s) the definition of that term in Section 3(38) of E.R.I.S.A., who will provide the Board with a statement of fiduciary responsibility. The Board will provide that Manager(s) certain guidelines, including, but not limited to, the interest assumption necessary to support the actuarial soundness of the System, the cash liquidity necessary to provide monthly pensions, and the current and projected cash flow into the System.

INVESTMENT REVIEW

The Board will monitor the Investment Manager(s) by periodically reviewing the investment portfolio and determining if the results meet with the objectives and purposes of the System.

The Investment Manager shall, within five (5) business days, after such occurs, notify the Board if any investment no longer meets these guidelines.

Amended through June 2017

For The Board of Trustees

Date

For Inverness Investment Counsel

Date

INVESTMENT MANAGER

The Board will select a professional Investment Manager(s), that meet(s) the definition of that term in Section 3(38) of E.R.I.S.A., who will provide the Board with a statement of fiduciary responsibility. The Board will provide that Manager(s) certain guidelines, including, but not limited to, the interest assumption necessary to support the actuarial soundness of the System, the cash liquidity necessary to provide monthly pensions, and the current and projected cash flow into the System.

INVESTMENT REVIEW

The Board will monitor the Investment Manager(s) by periodically reviewing the investment portfolio and determining if the results meet with the objectives and purposes of the System.

The Investment Manager shall, within five (5) business days, after such occurs, notify the Board if any investment no longer meets these guidelines.

For The Board of Trustees Date

For Wells Capital Management Date

INVESTMENT MANAGER

The Board will select a professional Investment Manager(s), that meet(s) the definition of that term in Section 3(38) of E.R.I.S.A., who will provide the Board with a statement of fiduciary responsibility. The Board will provide that Manager(s) certain guidelines, including, but not limited to, the interest assumption necessary to support the actuarial soundness of the System, the cash liquidity necessary to provide monthly pensions, and the current and projected cash flow into the System.

INVESTMENT REVIEW

The Board will monitor the Investment Manager(s) by periodically reviewing the investment portfolio and determining if the results meet with the objectives and purposes of the System.

The Investment Manager shall, within five (5) business days, after such occurs, notify the Board if any investment no longer meets these guidelines.

For The Board of Trustees

Date

For Eagle Asset Management

Date

INVESTMENT MANAGER

The Board will select a professional Investment Manager(s), that meet(s) the definition of that term in Section 3(38) of E.R.I.S.A., who will provide the Board with a statement of fiduciary responsibility. The Board will provide that Manager(s) certain guidelines, including, but not limited to, the interest assumption necessary to support the actuarial soundness of the System, the cash liquidity necessary to provide monthly pensions, and the current and projected cash flow into the System.

INVESTMENT REVIEW

The Board will monitor the Investment Manager(s) by periodically reviewing the investment portfolio and determining if the results meet with the objectives and purposes of the System.

The Investment Manager shall, within five (5) business days, after such occurs, notify the Board if any investment no longer meets these guidelines.

For The Board of Trustees Date

For Garcia, Hamilton & Associates Date

INVESTMENT MANAGER

The Board will select a professional Investment Manager(s), that meet(s) the definition of that term in Section 3(38) of E.R.I.S.A., who will provide the Board with a statement of fiduciary responsibility. The Board will provide that Manager(s) certain guidelines, including, but not limited to, the interest assumption necessary to support the actuarial soundness of the System, the cash liquidity necessary to provide monthly pensions, and the current and projected cash flow into the System.

INVESTMENT REVIEW

The Board will monitor the Investment Manager(s) by periodically reviewing the investment portfolio and determining if the results meet with the objectives and purposes of the System.

The Investment Manager shall, within five (5) business days, after such occurs, notify the Board if any investment no longer meets these guidelines.

For The Board of Trustees

Date

For Rhumblin Advisers

Date

INVESTMENT MANAGER

The Board will select a professional Investment Manager(s), that meet(s) the definition of that term in Section 3(38) of E.R.I.S.A., who will provide the Board with a statement of fiduciary responsibility. The Board will provide that Manager(s) certain guidelines, including, but not limited to, the interest assumption necessary to support the actuarial soundness of the System, the cash liquidity necessary to provide monthly pensions, and the current and projected cash flow into the System.

INVESTMENT REVIEW

The Board will monitor the Investment Manager(s) by periodically reviewing the investment portfolio and determining if the results meet with the objectives and purposes of the System.

The Investment Manager shall, within five (5) business days, after such occurs, notify the Board if any investment no longer meets these guidelines.

For The Board of Trustees

Date

For American Realty Advisors

Date

INVESTMENT MANAGER

The Board will select a professional Investment Manager(s), that meet(s) the definition of that term in Section 3(38) of E.R.I.S.A., who will provide the Board with a statement of fiduciary responsibility. The Board will provide that Manager(s) certain guidelines, including, but not limited to, the interest assumption necessary to support the actuarial soundness of the System, the cash liquidity necessary to provide monthly pensions, and the current and projected cash flow into the System.

INVESTMENT REVIEW

The Board will monitor the Investment Manager(s) by periodically reviewing the investment portfolio and determining if the results meet with the objectives and purposes of the System.

The Investment Manager shall, within five (5) business days, after such occurs, notify the Board if any investment no longer meets these guidelines.

For The Board of Trustees

Date

For Intercontinental Real Estate Corporation

Date

INVESTMENT MANAGER

The Board will select a professional Investment Manager(s), that meet(s) the definition of that term in Section 3(38) of E.R.I.S.A., who will provide the Board with a statement of fiduciary responsibility. The Board will provide that Manager(s) certain guidelines, including, but not limited to, the interest assumption necessary to support the actuarial soundness of the System, the cash liquidity necessary to provide monthly pensions, and the current and projected cash flow into the System.

INVESTMENT REVIEW

The Board will monitor the Investment Manager(s) by periodically reviewing the investment portfolio and determining if the results meet with the objectives and purposes of the System.

The Investment Manager shall, within five (5) business days, after such occurs, notify the Board if any investment no longer meets these guidelines.

For The Board of Trustees

Date

For EnTrustPermal Capital

Date

INVESTMENT MANAGER

The Board will select a professional Investment Manager(s), that meet(s) the definition of that term in Section 3(38) of E.R.I.S.A., who will provide the Board with a statement of fiduciary responsibility. The Board will provide that Manager(s) certain guidelines, including, but not limited to, the interest assumption necessary to support the actuarial soundness of the System, the cash liquidity necessary to provide monthly pensions, and the current and projected cash flow into the System.

INVESTMENT REVIEW

The Board will monitor the Investment Manager(s) by periodically reviewing the investment portfolio and determining if the results meet with the objectives and purposes of the System.

The Investment Manager shall, within five (5) business days, after such occurs, notify the Board if any investment no longer meets these guidelines.

For The Board of Trustees

Date

For ClariVest Asset Management

Date

INVESTMENT MANAGER

The Board will select a professional Investment Manager(s), that meet(s) the definition of that term in Section 3(38) of E.R.I.S.A., who will provide the Board with a statement of fiduciary responsibility. The Board will provide that Manager(s) certain guidelines, including, but not limited to, the interest assumption necessary to support the actuarial soundness of the System, the cash liquidity necessary to provide monthly pensions, and the current and projected cash flow into the System.

INVESTMENT REVIEW

The Board will monitor the Investment Manager(s) by periodically reviewing the investment portfolio and determining if the results meet with the objectives and purposes of the System.

The Investment Manager shall, within five (5) business days, after such occurs, notify the Board if any investment no longer meets these guidelines.

For The Board of Trustees

Date

For Sawgrass Asset Management

Date