Employee Pension Board of Trustees
Pension Board Meeting Agenda
November 17, 2020
4:00 PM
Online Meeting

By Web Link: https://us02web.zoom.us/j/82969176960

By Phone: 1-312-626-6799 Meeting ID: 82969176960

Call to Order

Approve Agenda

Sunpoint IPS

Creve Coeur IPS Revised Draft Effective Oct 2020

Creve Coeur IPS Revised DraftEffective Oct 2020 with Tracked Changes

Adjournment

INVESTMENT POLICY STATEMENT

for the

Retirement Plan for Employees of the City of Creve Coeur

This investment policy statement should be reviewed and updated periodically. Any change to this policy should be communicated in writing on a timely basis to all interested parties.

EXECUTIVE SUMMARY

Type of Portfolio: Defined Benefit Pension Plan

Sponsor: City of Creve Coeur

Pension Board: Employee Pension Fund Board of Trustees ("Board")

Discretionary Investment Manager: Sunpointe Investments.

Primary Portfolio Custodian: Charles Schwab & Co., Inc.

Strategic Asset Allocation:

Major Asset Class	Sub Asset Class	Strategic Allocation Target	Lower Limit	Upper Limit
Equity		70%	60%	75%
	US Equity	45	35	55
	Non-US Equity	25	15	35
Alternatives		0%	0%	20%
Fixed Income		30%	25%	40%
Cash		0%	0%	5%

US Small- and Mid-cap equities may not be more than 50% of the total US equity allocation.
The overweight to growth or value stocks may not be more than 20% relative to the core asset class benchmark.
Emerging market equities may not be more than 20% of the total equity allocation.
The total of below investment grade bonds and emerging market debt may not be more than 15% of the fixed income allocation.

BACKGROUND

Administration of the City of Creve Coeur Employees' Pension Plan, including investment of plan funds, is the responsibility of The Board of Trustees, which is the named fiduciary, (Article VIII of the Plan dated June 26, 2001, as amended).

The plan is a frozen defined benefit pension plan for full time city employees meeting the plan eligibility requirements. Employees hired after May 23, 2006 are not eligible to participate in this plan.

STATEMENT OF OBJECTIVES

In establishing this Investment Policy, the Board has considered the fact that the Plan, together with social security, is the major retirement vehicle for most plan participants and has acted to discharge its fiduciary responsibility solely in the interests of such participants and their beneficiaries.

The purpose of a formal Investment Policy is to identify and establish investment objectives and guidelines that are realistic over variable market environments and appropriate to the funding requirements of the plan. The investment policy statement serves as the cornerstone of which all investment decisions will be made in order to achieve the long-term goals of the Board and will also serve as a standard by which to measure investment performance.

The basic goal underlying the establishment of this policy is to provide that the assets of the Plan shall be invested in a prudent manner, and that together with expected contributions to the Plan they will be sufficient to meet the obligations of the Plan.

Time Horizon
The investment guidelines are based upon a 20-year investment horizon with the ability to pay current and future obligations. The time horizon should be reviewed at least annually to coincide with the actuarial valuation of gross and net distributions.

Spending
The net distribution rate from the portfolio is expected to be less than 4% per year over the next 5 years. In 2026, net distributions are expected to jump to approximately 7% of the portfolio and grow steadily after that due to the closed nature of the plan.

Risk Tolerances
The Board recognizes that some risk must be assumed in order to achieve the investment objectives of the Portfolio. In establishing the risk tolerances of the IPS, the ability to withstand short and intermediate term variability were considered.

The Portfolio's long time horizon, current financial condition and other factors suggest collectively some interim fluctuations in market value and rates of return may be tolerated in order to achieve the longer-term objectives.

Performance Expectations

The desired investment objective is a rate of return on assets that, before fees, matches the policy index as defined later in this IPS.

DUTIES AND RESPONSIBILITIES

Board

As a fiduciary under the Portfolio, the Board is responsible for the following items with respect to this IPS:

1. Approving and maintaining this IPS.

2. Monitoring and supervising the Managers for adherence to this IPS, including any limitations.

3. Controlling and monitoring all investment, record keeping and administrative expenses associated with the Portfolio.

4. Avoiding prohibited transactions and conflicts of interest.

Custodian

Custodians are responsible for the safekeeping of the Portfolio's assets. The specific duties and responsibilities of the custodian are:

1. Value the holdings.
2. Collect all income and dividends owed to the Portfolio.
3. Settle all transactions (buy-sell orders).
4. Provide monthly reports that detail transactions, cash flows, securities held and their current value, and change in value of each security and the overall Portfolio since the previous report.
5. Maintain separate accounts by legal registration.

Discretionary Investment Manager

As distinguished from the Board, who is responsible for establishing and monitoring the investment objectives, the Manager is responsible for making investment decisions. As a fiduciary, the specific duties and responsibilities of the Manager are to:

1. Manage the Portfolio in accordance with the guidelines and objectives outlined in this IPS.

2. Exercise full investment discretion with regard to adding, replacing, and managing the investment of the Portfolio.

3. Communicate to the Board all investment changes pertaining to the Portfolio's investments.

4. Use the same care, skill, prudence, and due diligence under the circumstances then prevailing that a prudent investment professional acting in a like capacity and familiar with such matters would use in the conduct of like activities for like not for profit organization investment portfolios with like aims and in accordance and compliance with the documents governing the Portfolio, (insofar as such documents are consistent with applicable laws), and all applicable laws, rules, and regulations.

ASSET CLASS AND INVESTMENT OPTIONS

The following asset classes, along with appropriate Index and Peer comparisons, have been selected by the Manager and approved by the Board:

Asset Class	**Index Comparison**	**Peer Group Comparison**
Money Market	90 day T-Bills	Money Market Database
US All-Cap	CRSP US Total Market Index	Large Blend
Large Blend	S&P 500	Large Blend
Mid Cap	S&P Midcap 400	Mid Blend
Small Cap	S&P 600	Small-Cap Blend
International-Developed	FTSE Developed All Cap ex US Index	Foreign Large Blend
Emerging Markets	FTSE Emerging Markets All Cap China A Inclusion Index	Diversified Emerging Markets
REITS	FTSE EPRA NAREIT Global REIT	Real Estate
Commodities	Bloomberg Commodity TR	Commodities Broad Basket
Infrastructure	S&P Global Infrastructure	Infrastructure
Core Fixed Income	Bloomberg Barclays US Aggregate Bond Index	Intermediate Core Bond
High Yield Fixed Income	Bloomberg Barclays High Yield	High Yield Bond

Strategic Asset Allocation:

Major Asset Class	Sub Asset Class	Strategic Allocation Target	Lower Limit	Upper Limit
Equity		70%	60%	75%
	US Equity	45	35	55
	Non-US Equity	25	15	35
Alternatives		0%	0%	20%
Fixed Income		30%	25%	40%
Cash		0%	0%	5%

US Small- and Mid-cap equities may not be more than 50% of the total US equity allocation.
The overweight to growth or value stocks may not be more than 20% relative to the core asset class benchmark.
Emerging market equities may not be more than 20% of the total equity allocation.
The total of below investment grade bonds and emerging market debt may not be more than 15% of the fixed income allocation.

Prohibited Investment Activity:

Investment activity in the following is specifically prohibited without the Board's written permission (does not include underlying investments of mutual funds or ETFs)

1. Commodity trading including all futures contracts
2. Purchasing of letter stock
3. Short selling
4. Option trading
5. Stock loans
6. Securities of the investment manager, the custodian, or their parent or affiliate
7. Pledging assets as collateral

INVESTMENT SELECTION

The Equity Portfolio Manager will apply the following due diligence criteria in selecting an investment fund (Fund) option.

Regulatory oversight: Each Fund should be a regulated bank, an insurance company, a mutual fund organization, or a registered investment adviser.

Correlation to style or peer group: The Fund should be highly correlated to the asset class of the investment option.

Performance relative to a peer group: The Fund's performance should be evaluated against the peer group's median manager's return, for one-, three- and five-year cumulative periods (waived for passive index funds).

Performance relative to assumed risk: The Fund's risk-adjusted performance (Alpha and/or Sharpe Ratio) should be evaluated against the peer group's median manager's risk-adjusted performance (waived for passive index funds).

Minimum track record: The Fund's inception date should be greater than three years (waived for passive index fund, fund of funds or funds with other share classes with at least a three-year performance history).

Assets under management: The Fund should have at least $75 million under management.

Holdings consistent with style: The Fund should have no more than 20% of the portfolio invested in "unrelated" asset class securities.

Expense ratios/fees: The Fund's fees should not be in the bottom quartile (most expensive) of its peer group.

Stability of the organization: There should be no perceived organizational problems with the mutual fund complex sponsoring the Fund.
The same portfolio management team should be in place for at least two years (waived for passive index funds).

Fund performance and risk measures will be evaluated not only as of the most recent snapshot period, but also from the analysis of performance and risk on a rolling three-year basis.

MONITORING PROCEDURES

The Board acknowledges that rates of return can be volatile in the securities markets, particularly during short-term time periods. Recognizing that short-term fluctuations may cause variations in performance, the Board intends to evaluate investment performance from a long-term perspective.

The Board is aware ongoing review and analysis of the investment options is just as important as the due diligence process. The performance of the investment options will be monitored on an ongoing basis and it is at the Board's discretion to take corrective action by replacing a Manager if they deem it appropriate at any time.

On a timely basis, but not less than semi-annual, the Board will meet to review:

1. Manager's adherence to this IPS;

2. The performance of the various managers as compared to the weighted returns of the policy indexes indicated below:

Primary Blended Global Policy Index

Index	**Percentage**
MSCI ACWI All Cap	70%
Bloomberg Barclays US Agg Bond Index	30%

Primary Equity Portfolio Policy Index

Index	**Percentage**
MSCI ACWI All Cap	100%

Primary Fixed Income Portfolio Policy Index

Index	**Percentage**
Bloomberg Barclays US Agg Bond Index	100%

Secondary Blended Portfolio Policy Index

Index	**Percentage**
CRSP US Total Market Index	45%
FTSE Developed All Cap ex US Index	16%
FTSE Emerging Markets All Cap China A Inclusion Index	9%
Bloomberg Barclays US Agg Bond Index	30%

Actuarial Index: Actuarial Target Return

3. The performance of the Portfolio's investments subject to this IPS;

    a. Each fund's performance compared to an appropriate index and peer group as designated in this IPS.

4. Material changes in the Manager's organization and/or personnel; and,

5. Any legal, SEC and/or other regulatory agency proceedings affecting the Manager.

Portfolio Rebalancing

The portfolio will be reviewed at least quarterly to determine if the allocation is within the upper and lower limits as established in this Investment Policy. If the portfolio's allocation exceeds the upper or lower limits of this Investment Policy, the portfolio will be rebalanced to put the portfolio back within the approved ranges of this Investment Policy.

The portfolio can be rebalanced even if the allocation does not exceed the upper or lower limits at the discretion of the Discretionary Investment Manager.

If either of the components of the Primary Blended Global Policy Index differs from their target by more than 5% it will trigger the discretionary manager to contact the Chairman of the Investment Committee.

Measuring Costs

The Board will review at least annually all costs associated with the management of the Portfolio's investment program, including:

1. Expense ratios of each investment against the appropriate peer group.

2. Custody/Trustee Fees: The holding of the assets, collection of the income and disbursement of payments, transaction or commission fees.

3. Discretionary investment management fee.

4. Administrative Fees: Costs to administer the Portfolio, including recordkeeping, account settlement, and allocation of assets and earnings, and (when applicable) the proper use of 12b-1 fees (or other soft dollar arrangements) to offset these fees.

The Equity Discretionary Investment Manager will provide reports with the following information to assist in the Board's review of plan fees:

1. Each funds' expense ratio compared to the Morningstar peer group.

2. Report showing all transaction fees from the custodian.

3. Report showing actual fees charged by the Investment Manager.

4. Report showing any administrative fees (if applicable) associated with the equity portfolio.

As a result of this review process, the Board may decide to add, delete or change services or service providers.

INVESTMENT POLICY REVIEW

The Manager and the Board will review this IPS periodically to determine whether stated investment objectives are still relevant and the continued feasibility of achieving the same. It is not expected that the IPS will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the IPS.

Approved:

EMPLOYEE PENSION FUND BOARD OF TRUSTEES

By:____ Date:____________________

Name:_____________________________________

Title: _____________________________________

Approved:

Sunpointe Investments
Discretionary Investment Manager

By:____ Date:____________________

Name: **Jack Dwyer**

Title: **Managing Director**

INVESTMENT POLICY STATEMENT

for the

Retirement Plan for Employees of the City of Creve Coeur

This investment policy statement should be reviewed and updated periodically. Any change to this policy should be communicated in writing on a timely basis to all interested parties.

EXECUTIVE SUMMARY

Type of Portfolio: Defined Benefit Pension Plan

Sponsor: City of Creve Coeur

Pension Board: Employee Pension Fund Board of Trustees ("Board")

Discretionary ~~Equity Portfolio~~ Investment Manager: ~~Fiduciary Advisors, Inc~~Sunpointe Investments.

~~Equity~~ Primary Portfolio Custodian: Charles Schwab & Co., Inc.

~~**Discretionary Fixed Income Portfolio Investment Manager:**~~ ~~Commerce Trust Company~~

~~**Fixed Income Portfolio Custodian:**~~ ~~Commerce Trust Company~~

Strategic Asset Allocation:

Major Asset Class	Sub Asset Class	Strategic Allocation Target	Lower Limit	Upper Limit
Equity		~~64~~ 70%	~~59~~ 60%	~~69~~ 75%
	US Equity	45	35	55
	Non-US Equity	25	15	35
Alternatives		~~6~~ 0%	~~1~~ 0%	~~11~~ 20%
Fixed Income		30%	25%	40~~35~~%
Cash		0%	0%	5%

US Small- and Mid-cap equities may not be more than 50% of the total US equity allocation.
The overweight to growth or value stocks may not be more than 20% relative to the core asset class benchmark.
Emerging market equities may not be more than 20% of the total equity allocation.
The total of below investment grade bonds and emerging market debt may not be more than 15% of the fixed income allocation.

~~**Equity/Alternative Portfolio**~~	~~Strategic Allocation~~	~~Lower Limit~~	~~Upper Limit~~
~~Money Market~~	~~0%~~	~~0%~~	~~2%~~
~~Large Blend~~	~~32%~~	~~27%~~	~~37%~~
~~Large Value~~	~~6%~~	~~4%~~	~~8%~~

~~Mid Cap~~	~~7%~~	~~5%~~	~~9%~~
~~Small Cap~~	~~11%~~	~~8%~~	~~14%~~
~~Small Value~~	~~2%~~	~~1%~~	~~3%~~
~~International- Large~~	~~25%~~	~~20%~~	~~30%~~
~~International- Small~~	~~8%~~	~~6%~~	~~10%~~
~~REITS~~	~~5%~~	~~3%~~	~~7%~~
~~Commodities~~	~~4%~~	~~2%~~	~~6%~~

~~**Fixed Income**: See Fixed Income Investment Guidelines as approved by the Board and adopted by Commerce Trust Company.~~

BACKGROUND

Administration of the City of Creve Coeur Employees' Pension Plan, including investment of plan funds, is the responsibility of The Board of Trustees, which is the named fiduciary, (Article VIII of the Plan dated June 26, 2001, as amended).

The plan is a frozen defined benefit pension plan for full time city employees meeting the plan eligibility requirements. Employees hired after May 23, 2006 are not eligible to participate in this plan~~. Lump sum payments are not a distribution option.~~

STATEMENT OF OBJECTIVES

In establishing this Investment Policy, the Board has considered the fact that the Plan, together with social security, is the major retirement vehicle for most plan participants and has acted to discharge its fiduciary responsibility solely in the interests of such participants and their beneficiaries.

The purpose of a formal Investment Policy is to identify and establish investment objectives and guidelines that are realistic over variable market environments and appropriate to the funding requirements of the plan. The investment policy statement serves as the cornerstone of which all investment decisions will be made in order to achieve the long-term goals of the Board and will also serve as a standard by which to measure investment performance.

The basic goal underlying the establishment of this policy is to provide that the assets of the Plan shall be invested in a prudent manner, and that together with expected contributions to the Plan they will be sufficient to meet the obligations of the Plan.

Time Horizon
The investment guidelines are based upon a ~~long term~~20-year investment horizon with the ability to pay current and future obligations. ~~The Plan's strategic asset allocation~~The time horizon should be reviewed at least annually to coincide with the actuarial valuation of gross and net

distributions. ~~is also based on this long-term perspective.~~

Spending

The net distribution rate from the portfolio is expected to be less than 4% per year over the next 5 years. In 2026, net distributions are expected to jump to approximately 7% of the portfolio and grow steadily after that due to the closed nature of the plan.

Risk Tolerances

The Board recognizes that some risk must be assumed in order to achieve the investment objectives of the Portfolio. In establishing the risk tolerances of the IPS, the ability to withstand short and intermediate term variability were considered.

The Portfolio's long time horizon, current financial condition and other factors suggest collectively some interim fluctuations in market value and rates of return may be tolerated in order to achieve the longer-term objectives.

Performance Expectations

The desired investment objective is a rate of return on assets that, before fees, matches the policy index as defined later in this IPS.

DUTIES AND RESPONSIBILITIES

Board

As a fiduciary under the Portfolio, the Board is responsible for the following items with respect to this IPS:

1. Approving and maintaining this IPS.

2. Monitoring and supervising the Managers for adherence to this IPS, including any limitations.

3. Controlling and monitoring all investment, record keeping and administrative expenses associated with the Portfolio.

4. Avoiding prohibited transactions and conflicts of interest.

Custodian

Custodians are responsible for the safekeeping of the Portfolio's assets. The specific duties and responsibilities of the custodian are:

1. Value the holdings.
2. Collect all income and dividends owed to the Portfolio.
3. Settle all transactions (buy-sell orders).
4. Provide monthly reports that detail transactions, cash flows, securities held and their current value, and change in value of each security and the overall Portfolio since the previous report.
5. Maintain separate accounts by legal registration.

Discretionary Investment Manager

As distinguished from the Board, who is responsible for establishing and monitoring the investment objectives, the Manager is responsible for making investment decisions. As a fiduciary ~~as defined in the Investment Advisors Agreement dtd 07/02/2013~~, the specific duties and responsibilities of the Manager are to:

1. Manage the Portfolio in accordance with the guidelines and objectives outlined in this IPS.

2. Exercise full investment discretion with regard to adding, replacing, and managing the investment of the Portfolio.

3. Communicate to the Board all investment changes pertaining to the Portfolio's investments.

4. Use the same care, skill, prudence, and due diligence under the circumstances then prevailing that a prudent investment professional acting in a like capacity and familiar with such matters would use in the conduct of like activities for like not for profit organization investment portfolios with like aims and in accordance and compliance with the documents governing the Portfolio, (insofar as such documents are consistent with applicable laws), and all applicable laws, rules, and regulations.

ASSET CLASS AND INVESTMENT OPTIONS

The following asset classes, along with appropriate Index and Peer comparisons, have been selected by the Manager and approved by the Board:

~~Equity Portfolio Asset Classes~~:

Asset Class	**Index Comparison**	**Peer Group Comparison**
Money Market	90 day T-Bills	Money Market Database
US All-Cap	CRSP US Total Market Index	Large Blend
Large Blend	S&P 500	Large Blend
~~Large Value~~	~~MSCI US Prime Mkt Value~~	~~Large Value~~
Mid Cap	~~MSCI US Mid Cap 450~~S&P Midcap 400	Mid Blend
Small Cap	~~MSCI US Small Cap 1750~~S&P 600	Small-Cap Blend
~~Small Value~~	~~MSCI US Small Cap Value~~	~~Small Cap Value~~
International-~~Large~~Developed	FTSE Developed All Cap ex US Index ~~MSCI ACWI ex US NR USD~~	Foreign Large Blend
~~International-Small~~Emerging Markets	FTSE Emerging Markets All Cap China A Inclusion Index~~MSCI ACWI ex US Small Cap~~	Diversified ~~Foreign Small/Mid~~Emerging Markets
REITS	~~MSCI US REIT~~FTSE EPRA NAREIT Global REIT	Real Estate

Commodities	Bloomberg Commodity TR	Commodities Broad Basket
Infrastructure	S&P Global Infrastructure	Infrastructure
Core Fixed Income	Bloomberg Barclays US Aggregate Bond Index	Intermediate Core Bond
High Yield Fixed Income	Bloomberg Barclays High Yield	High Yield Bond

Strategic Asset Allocation:

Major Asset Class	Sub Asset Class	Strategic Allocation Target	Lower Limit	Upper Limit
Equity		70%	60%	75%
	US Equity	45	35	55
	Non-US Equity	25	15	35
Alternatives		0%	0%	20%
Fixed Income		30%	25%	40%
Cash		0%	0%	5%

US Small- and Mid-cap equities may not be more than 50% of the total US equity allocation.
The overweight to growth or value stocks may not be more than 20% relative to the core asset class benchmark.
Emerging market equities may not be more than 20% of the total equity allocation.
The total of below investment grade bonds and emerging market debt may not be more than 15% of the fixed income allocation.

~~***Equity Portfolio Policy Index***~~

~~**Index**~~	~~**Percentage**~~
~~S&P 500~~	~~32%~~
~~MSCI US Prime Mkt Value~~	~~6%~~
~~MSCI US Mid Cap 450~~	~~7%~~
~~MSCI US Small Cap 1750~~	~~11%~~
~~MSCI US Small Cap Value~~	~~2%~~
~~MSCI ACWI ex US NR USD~~	~~25%~~
~~MSCI ACWI ex US Small Cap~~	~~8%~~
~~MSCI US REIT~~	~~5%~~
~~Bloomberg Commodity TR~~	~~4%~~

~~***Fixed Income Portfolio:***~~

~~**Asset Class**~~	~~**Index Comparison**~~	~~**Peer Group Comparison**~~
~~U.S. Intermediate Term Bond~~	~~Barclays US Aggregate Bond Index~~	~~Intermediate Term Bond~~

~~***Fixed Income Portfolio Policy Index:***~~

~~**Index**~~	~~**Percentage**~~
~~Barclays US Agg Bond Idx~~	~~100%~~

~~**Fixed Income Investment Policy:**~~ ~~See separate Fixed Income Investment Policy~~

Prohibited Investment Activity:

Investment activity in the following is specifically prohibited without the Board's written permission (does not include underlying investments of mutual funds or ETFs)

1. Commodity trading including all futures contracts
2. Purchasing of letter stock
3. Short selling
4. Option trading
5. Stock loans
6. Securities of the investment manager, the custodian, or their parent or affiliate
7. ~~6.~~ Pledging assets as collateral

INVESTMENT SELECTION

The Equity Portfolio Manager will apply the following due diligence criteria in selecting an investment fund (Fund) option.

Regulatory oversight: Each Fund should be a regulated bank, an insurance company, a mutual fund organization, or a registered investment adviser.

Correlation to style or peer group: The Fund should be highly correlated to the asset class of the investment option.

Performance relative to a peer group: The Fund's performance should be evaluated against the peer group's median manager's return, for one-, three- and five-year cumulative periods (waived for passive index funds).

Performance relative to assumed risk: The Fund's risk-adjusted performance (Alpha and/or Sharpe Ratio) should be evaluated against the peer group's median manager's risk-adjusted performance (waived for passive index funds).

Minimum track record: The Fund's inception date should be greater than three years (waived for passive index fund, fund of funds or funds with other share classes with at least a three-year performance history).

Assets under management: The Fund should have at least $75 million under management.

Holdings consistent with style: The Fund should have no more than 20% of the portfolio invested in "unrelated" asset class securities.

Expense ratios/fees: The Fund's fees should not be in the bottom quartile (most expensive) of its peer group.

Stability of the organization: There should be no perceived organizational problems with the mutual fund complex sponsoring the Fund.
The same portfolio management team should be in place for at least two years (waived for passive index funds).

Fund performance and risk measures will be evaluated not only as of the most recent snapshot period, but also from the analysis of performance and risk on a rolling three-year basis.

MONITORING PROCEDURES

The Board acknowledges that ~~fluctuating~~ rates of return ~~characterize~~ can be volatile in the securities markets, particularly during short-term time periods. Recognizing that short-term fluctuations may cause variations in performance, the Board intends to evaluate investment performance from a long-term perspective.

The Board is aware ~~the~~ ongoing review and analysis of the investment options is just as important as the due diligence process. The performance of the investment options will be monitored on an ongoing basis and it is at the Board's discretion to take corrective action by replacing a Manager if they deem it appropriate at any time.

On a timely basis, but not less than semi-annual, the Board will meet to review:

1. Manager's adherence to this IPS;

2. The performance of the various managers as compared to the weighted returns of the policy indexes indicated below:

~~Primary Equity Portfolio Policy Index~~

~~Index~~	~~Percentage~~
~~S&P 500~~	~~32%~~
~~MSCI US Prime Mkt Value~~	~~6%~~
~~MSCI US Mid Cap 450~~	~~7%~~
~~MSCI US Small Cap 1750~~	~~11%~~
~~MSCI US Small Cap Value~~	~~2%~~
~~MSCI EAFE~~	~~25%~~
~~MSCI EAFE Small Cap~~	~~8%~~
~~MSCI US REIT~~	~~5%~~
~~Bloomberg Commodity~~	~~4%~~

~~Secondary Equity Portfolio Policy Index~~

~~Primary~~ Secondary Blended Portfolio Policy Index

Index	Percentage
CRSP US Total Market Index~~S&P 500~~	45~~22~~%
FTSE Developed All Cap ex US Index	16%
FTSE Emerging Markets All Cap China A Inclusion Index	9%
Bloomberg Barclays US Agg Bond Index	30%

~~Index~~	~~Percentage~~
~~MSCI US Broad Market~~	~~58%~~
~~MSCI ACWI ex USA IMI~~	~~33%~~
~~MSCI US REIT~~	~~5%~~
~~Bloomberg Commodity~~	~~4%~~

~~Third Global~~Primary Equity Portfolio Policy Index

Index	Percentage
MSCI ACWI All Cap	100%

Primary Fixed Income Portfolio Policy Index

Index	Percentage
Bloomberg Barclays US Agg Bond Index	100%

Primary Blended Global Policy Index

Index	Percentage
MSCI ACWI All Cap	70%
Bloomberg Barclays US Agg Bond Index ~~Barclays Multiverse~~	30%

Actuarial Index: Actuarial Target Return

3. The performance of the Portfolio's investments subject to this IPS;

    a. Each fund's performance compared to an appropriate index and peer group as designated in this IPS.

4. Material changes in the Manager's organization and/or personnel; and,

5. Any legal, SEC and/or other regulatory agency proceedings affecting the Manager.

Portfolio Rebalancing

The portfolio will be reviewed at least quarterly to determine if the allocation is within the upper and lower limits as established in this Investment Policy. If the portfolio's allocation exceeds the upper or lower limits of this Investment Policy, the portfolio will be rebalanced to put the portfolio back within the approved ranges of this Investment Policy.

The portfolio can be rebalanced even if the allocation does not exceed the upper or lower limits at the discretion of the Discretionary Investment Manager.

If either of the components of the Primary Blended Global Policy Index differs from their target by more than 5% it will trigger the discretionary manager to contact the Chairman of the Investment Committee.

Measuring Costs

The Board will review at least annually all costs associated with the management of the Portfolio's investment program, including:

1. Expense ratios of each investment against the appropriate peer group.
2. Custody/Trustee Fees: The holding of the assets, collection of the income and disbursement of payments, transaction or commission fees.
3. Discretionary investment management fee.
4. Administrative Fees: Costs to administer the Portfolio, including recordkeeping, account settlement, and allocation of assets and earnings, and (when applicable) the proper use of 12b-1 fees (or other soft dollar arrangements) to offset these fees.

The Equity Discretionary Investment Manager will provide reports with the following information to assist in the Board's review of plan fees:

1. Each funds' expense ratio compared to the Morningstar peer group.
2. Report showing all transaction fees from the custodian.
3. Report showing actual fees charged by the Investment Manager.

4. Report showing any administrative fees (if applicable) associated with the equity portfolio.

As a result of this review process, the Board may decide to add, delete or change services or service providers.

INVESTMENT POLICY REVIEW

The Manager and the Board will review this IPS periodically to determine whether stated investment objectives are still relevant and the continued feasibility of achieving the same. It is not expected that the IPS will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the IPS.

Approved:

EMPLOYEE PENSION FUND BOARD OF TRUSTEES

By:____ Date:____________________

Name:_____________________________________

Title: _____________________________________

Approved:

~~FIDUCIARY ADVISORS, INC.~~Sunpointe Investments
Discretionary ~~Equity~~ Investment Manager

By:____ Date:____________________

Name: ~~**Todd Grizzle**~~**Jack Dwyer**

Title: ~~**V.P. Investments**~~**Managing Director**