INVESTMENT OBJECTIVES AND GUIDELINES
THE CITY OF BOSTON TRUST FUNDS
(AS AMENDED April 2019)

INVESTMENT POLICY STATEMENT

This policy statement is issued by the Collector-Treasurer of the City of Boston, as Trustee, for the guidance of the fund managers and other fiduciaries, in the course of investing the monies of the City of Boston Trust Funds and the City of Boston other Post Employment Benefits Funds (the "Fund" or "OPEB"). Its purpose is to express the Trustee's position regarding the asset mix of the Fund; set forth an appropriate set of objectives for the investment of the Fund's assets; and define guidelines within which the investment managers may formulate and execute their investment decisions.

The Treasury Department's Treasury Division (hereinafter referred to as the "Treasury Division") has the responsibility of overseeing the investment management of all City trust funds and the OPEB. The essence of a charitable trust is that it must have a recognizable purpose under the law such as the furtherance of health, religion, education, establishing parks or museums, or the relief of poverty or discrimination. The powers and duties of the trustee in Massachusetts are established by the trust instrument and by State law. Broad powers are conferred upon the trustees by statute unless the trust instrument specifically limits such powers. The Trustee may have such additional powers as granted to him/her by the trust instrument or as necessary to administrate the trust provided such powers are not prohibited by law.

Specific to the OPEB, the Trustee shall also exercise reasonable care, skill, and caution and invest and manage assets as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the OPEB. The portfolio shall be invested and reinvested by the Collector-Treasurer (as outlined in MGL Chapter 32B, Section 20), consistent with the prudent investor rule set forth in chapter 203C. Investments of the Funds shall be made in full accordance with any and all applicable statutes, including Section 14 of Chapter 643 of the Acts of 1983 as amended. The City has the power to invest the OPEB in any investments which are permitted investments for funds of the state retirement system invested by the PRIM Board under MGL Chapter 32, as well as any other applicable legislation or regulation, state, federal or otherwise.

This policy statement may be amended by the Trustee both upon his/her own initiative and upon consideration of the advice and recommendations of the Fund's fiduciaries. Modifications should be proposed in writing and approved by the Trustee.

STATEMENT OF GOALS AND OBJECTIVES

Assets of the Fund shall be invested with the goal of preserving and growing principal over time, both in real and nominal terms. Total return, consistent with prudent investment management and the guidelines expressed herein, is the primary goal of the Fund. To the extent that a secondary objective can be realized while adhering firmly to this primary objective, the Fund shall also be invested in such a way that it furthers positive Environmental, Social, and Governance ("ESG") objectives. Total return, as used herein, includes income plus realized and unrealized gains and losses on Fund assets. The Treasury Division shall be primarily responsible for recommending fund structure, including eligible asset classes and the determination of targets and ranges. The overall capital structure targets and permissible ranges for eligible asset classes, as recommended by the Treasury Division, are detailed in Appendix I.

The average annual nominal total return objective for the Non-OPEB Trusts is based on a 5-7 year time period and will be calculated annually. As each of the underlying trust funds may have differing performance objectives, the investment advisor along with the Trustee will review asset allocation on an annual basis and adjust as needed (see Appendix I). With respect to the OPEB Trust, the total return target is based on a 30-year time period, and is calculated annually. This target considers the actuarial rate of return of 6.75% currently. Such actuarial rate of return is determined as a part of the City's biennial OPEB actuarial valuation.

Total return, for the Fund shall meet or exceed the Fund's Custom Index (see Appendix II), and shall consistently rank in the top-half of the Public Fund or other relevant universe.

Total return for Fund managers shall consistently rank in the top half of their respective comparative universes, and meet or exceed the return of appropriate market indices, as outlined in Appendix II.

Sector and total portfolio risk exposure and risk-adjusted returns will be regularly evaluated and compared with other funds. Total portfolio risk exposure should reasonably be at or below the average of comparable funds. Risk-adjusted returns are expected to consistently rank in the top half of comparable funds over a full market cycle.

The Trustee is aware that there may be short-term deviations from these objectives, and shall evaluate compliance with these and other performance expectations over a 5-7 year time horizon. However, shorter term results will be regularly reviewed and earlier action taken if in the best interest of the Trusts.

Asset Class	Benchmark	Asset Class Universe	Style Universe
Domestic Large Cap Equity	S&P 500	Equity Funds	Large Core
Developed International Equity	MSCI ACWI ex USA	Developed Int'l Equity Funds	NA
Emerging Markets Equity	MSCI Emerging Markets Small Cap	Emerging Equity Funds	Small Cap
Global Equity	MSCI ACWI	Global Equity Funds	NA
Domestic Fixed Income	Barclays Aggregate	Fixed Income Funds	Core Bonds
Diversified/Absolute Return Fixed Income	Barclays Global Aggregate	Fixed Income Funds	Unconstrained Bonds
Short Duration High Yield	ICE BofAML 0-5 Yrs US High Yield Constrained	Fixed Income Funds	High Yield
Global Tactical Asset Allocation	60% MSCI ACWI/40% Citi	Balanced Managers	Balanced Managers

	WGBI		
Real Estate	NCRIEF	Real Estate	NA

INVESTMENT GUIDELINES

1. Full discretion, within the parameters of the investment policy guidelines described herein, is granted to the investment managers of separately managed accounts regarding the asset allocation, the selection of securities, and the timing of transactions.

2. The overall capital structure targets and permissible ranges for eligible asset classes are detailed in Appendix I to this policy statement.

3. The global asset allocation (GAA) manager may vary equity, fixed income, currency or cash commitment from 0% to 100% of assets under management across domestic and international markets. The GAA manager can sell short domestic and international markets and currencies.

4. Equity investments, i.e., common stocks, convertibles, ADRs, warrants and rights are permitted, subject to the guidelines contained in Appendix I. American Depository Receipts (ADRs) are dollar denominated foreign securities traded on the U.S. stock exchanges, i.e., Reuters, Nestle, Sony. Total commitment to ADRs in any portfolio, except the International portfolio, shall not exceed 10% or 1.5 times the benchmark, whichever is greater. The Fund's balanced managers may vary equity commitment from 15% to 75% of assets under management. The managers should determine that the securities to be purchased are of an investment grade suitable for this account. It is expected that each manager will remain fully invested, i.e. not hold cash more than stated strategy targets. It is understood that at time there may be cash build up due to transactions or limited opportunities. For the purposes of this policy, fully invested means no more than 10% of the portfolio in cash.

5. The international equity portfolio, including global, developed and emerging markets equity, will be diversified by industry representation, by the number of issuers and by selection of countries. Full discretion, within the parameters of the guidelines described herein, is granted to the investment managers regarding the asset allocation, the selection of securities, and the timing of transactions.

6. Domestic fixed income investments are permitted, subject to the guidelines in Appendix I, and may include U.S. Government and Agency obligations, investment grade corporate bonds, zero coupon bonds, TIPS, debentures, commercial paper, CDs, Eurobonds, Yankee bonds, direct mortgage paper, CMOs, asset backed securities, 144A Securities and other instruments deemed prudent by the investment managers. Domestic fixed income managers will be permitted to invest in securities outside of the index assuming they are of a suitable credit quality and appropriate for the outlined mandate.

7. Fixed-income securities are to be selected and managed to ensure appropriate balances in qualities and maturities consistent with current money market and economic conditions. "Active" bond management is encouraged, as deemed appropriate by the investment managers.

   The overall average quality of the fixed income portfolio shall be "A" or better as rated by Standard and Poor's, or its equivalent in Moody's, Fitch, or Duff & Phelps. The ratings provided in this policy statement are for guidance only; the investment managers are responsible for making an independent analysis of the credit worthiness of securities and their suitability as investments regardless of the classifications provided by rating agencies.

   Securities with a rating of below investment grade may comprise no more than 15%, at market, of any fixed income portfolio.

8. The average duration (interest rate sensitivity) of an actively managed fixed income portfolio shall not exceed +/- 4 years of their respective benchmark.

9. Investment managers may maintain reserve and cash equivalent investments subject to the limitations in Appendix I. However, these investments should be made based on safety and liquidity, and only secondarily by yield available.

10. While the Trustee is sensitive to excessive turnover, there shall be no specific limitation in this regard, recognizing the importance of providing flexibility to the managers to adjust the asset mix in changing market conditions. Flexible management of the portfolio is permitted; furthermore, there is no justification to hold a particular security, nor to manage the collective assets, for the sole purpose of avoiding the recognition of a book loss.

11. No security, excepting issues of the U.S. Government or its agencies, shall comprise more than 10% of total assets, measured at market. Further, no individual portfolio shall hold more than 10% of its assets in the securities of any single entity, excepting issues of the U.S. Government and its agencies.

12. Fully covered, or protected, investments using options, futures or short sales are permitted in the interest of reducing price volatility and protecting capital.

13. Real estate investments are permitted, subject to the guidelines in Appendix I, and only with the prior written approval of the Trustee.

14. Responsibility for the exercise of ownership rights including proxy solicitations, has been delegated to the investment managers, who shall exercise this responsibility strictly in accordance with applicable law.

15. To enable the Treasury Division to monitor the voting of proxies, the investment managers shall annually report to the Treasury Division standing policies with respect to proxy voting, including any changes that have occurred in these policies. Additionally, investment managers shall provide a written annual report of the proxy votes for all shares of stock in companies held in the Fund's investment program. These reports shall specifically note any instances where proxies were not voted in accordance with standing policy.

16. Investment managers shall make portfolio transactions on a "best execution" basis. Additionally, arrangements to direct commissions shall only be implemented by specific authorization of the Trustee and/or the Treasury Division.

17. Unless specifically approved by the Trustee, certain securities, strategies and investments are ineligible for inclusion within separately managed accounts in the Trust's asset base. Among these are:
   - Derivative instruments except as permitted in the Derivative Policy in Appendix III (to add Appendix III) or specifically provided for in individual manager guidelines.
   - Privately-placed or other non-marketable debt, except securities issued under Rule 144a.
   - Lettered, legend or other so-called restricted stock.
   - Physical Commodities.
   - Straight preferred stocks and non-taxable municipal securities should not normally be held unless pricing anomalies in the marketplace suggest the likelihood of near-term capital gains when normal spread relationships resume.
   - Short sales.
   - Direct investments in private placements, real estate, oil and gas and venture capital (exluding investments made through investment manager funds).
   - Any transaction prohibited by ERISA.

18. Liquidity requirements-- When necessary, investment managers will be given adequate notice of cash needs and an estimation of the liquidity requirements from their funds. They will be expected to manage their funds to provide for anticipated withdrawals without impairing the investment process.

COMMINGLED FUNDS PROVISION

In recognition of the benefits of commingled funds as investment vehicles (i.e., the ability to diversify more extensively than in a small, direct investment account and the lower costs which can be associated with these funds) these funds may, from time to time, be utilized. The Trustee recognizes that they cannot give specific policy directives, including the use of social restrictions, to a fund whose policies are already established.

ROLES AND RESPOSIBILITIES

Treasury

The Trustee shall review the total investment program. The Trustee shall approve the investment policy and provide overall direction to the staff in the execution of the investment policy. The Trustee, with the assistance of the investment consultant, is responsible for evaluating, hiring, and terminating investment managers, consultants, and custodian banks.

Investment Consultant

The Investment Consultant shall assist the Trustees in developing and modifying policy objectives and guidelines, including the development of asset allocation strategies, recommendations on long-term asset allocation and appropriate mix of investment manager styles and strategies. The consultant shall also aid in manager searches and selection, and in investment performance calculation, evaluation, and analysis. The consultant shall provide timely information, written and/or oral, on investment strategies, instruments, mangers and other related issues, as requested by the Board of Trustees.

In addition, it is expected that the investment advisor and Treasury staff will meet to review the portfolios on at least an annual basis.

Custodian

To maximize the Trust's return, no money should be allowed to remain idle. Dividends, interest, proceeds from sales, new contributions and all other monies are to be invested or reinvested promptly.

All investments will be reported at market value using generally accepted valuation/pricing mechanisms, such as publicly published prices, pricing mechanisms such as matrix pricing utilized by the Master Custody and Investment Management industry and professional appraisals.

The custodian bank(s) will be responsible for performing the following transactions:

1. Accept daily instructions from designated staff.
2. Notify investment managers of proxies, tenders, rights, fractional shares or other dispositions of holdings.
3. Resolve any problems that designated staff may have relating to the custodian account.
4. Safekeeping of securities.
5. Collection of interest and dividends.
6. Daily cash sweep of idle principal and income cash balances.
7. Processing of all investment manager transactions.
8. Collection of proceeds from maturing securities.
9. Disbursement of all income or principal cash balances as directed.
10. Collect asset values from pooled accounts, hedge funds, private equity investments and other alternative asset classes not custodized by the bank for inclusion in the Trust's comprehensive monthly valuations reports.
11. Providing monthly statements by investment account and a consolidated statement of all assets.
12. Working with the investment consultant and the Trust accountant to ensure accuracy in reporting.
13. Provide written statements revealing monthly reconciliation of custody and investment managers' accounting statements.
14. The custodian shall provide the Trust with their pricing policies including a list of sources used. The Trust should be notified of any exceptions to these policies. The custodian is required to obtain prices independent of the manger, or to notify the Trust that independent prices are not available.

OTHER CONSIDERATIONS

The Treasury Division may recommend to the Trustee revisions to this statement as may be necessary from time to time. It is also the policy of the Treasury Division to review these goals and objectives at least once per year and to communicate any change thereto to the investment managers.

These policy statements are prepared to provide appropriate guidelines, consistent with the Fund's return objectives and risk tolerances, to the investment managers. Should any investment manager believe that the guidelines are restrictive or inappropriate, the Treasury Division expects to be advised accordingly.

IMPLEMENTATION

All monies invested for the Trusts by its investment managers after the adoption of this Investment Policy Statement shall conform to this policy. The Investment Policy Statement was approved by the Collector-Treasurer of the City of Boston as effective on April 10, 2019.

Approved on behalf of the Trustee by: ____________________________

APPENDIX I

INVESTMENT OBJECTIVES AND GUIDELINES
THE CITY OF BOSTON TRUST FUNDS

To have a reasonable probability of achieving the target return at an acceptable risk level, the Trusts adopted an asset allocation policy outlined below. The actual asset allocation will be reviewed on a quarterly basis and will be rebalanced when asset class weightings are outside of permissible ranges.

Pool 1

Asset Class	***Target***	***Permissible Range***
Total Equity	**48%**	**35% - 65%**
Domestic Equity	18%	14% - 26%
International Equity	15%	12% - 22%
Global Equity	10%	8% - 15%
Emerging Equity	5%	3% - 8%
Total Fixed Income	**24%**	**18% - 28%**
Core Bonds	12%	10% - 14%
TIPS	5%	3% - 7%
Absolute Return	4%	2% - 6%
Short High Yield	3%	1% - 5%
Global Asset Allocation	**22%**	**16% - 28%**
Total Real Estate	**6%**	**0% - 8%**

Pool 2

Asset Class	***Target***	***Permissible Range***
Global Asset Allocation	**100%**	

Pool 5

Asset Class	***Target***	***Permissible Range***
Total Equity	**48%**	**35% - 65%**
Domestic Equity	18%	14% - 26%
International Equity	15%	12% - 22%
Global Equity	10%	8% - 15%
Emerging Equity	5%	3% - 8%
Total Fixed Income	**24%**	**18% - 28%**
Core Bonds	12%	10% - 14%
TIPS	5%	3% - 7%
Absolute Return	4%	2% - 6%
Short High Yield	3%	1% - 5%
Global Asset Allocation	**22%**	**16% - 28%**
Total Real Estate	**6%**	**0% - 8%**

Pool 8 (OPEB)

Asset Class	***Target***	***Permissible Range***
Total Equity	**50%**	**38% - 65%**
Domestic Equity	20%	16% - 28%
International Equity	15%	12% - 22%
Global Equity	10%	8% - 15%
Emerging Equity	5%	3% - 8%
Total Fixed Income	**30%**	**25% - 35%**
Core Bonds	18%	15% - 21%
TIPS	5%	3% - 7%
Absolute Return	4%	2% - 6%
Short High Yield	3%	1% - 5%
Global Asset Allocation	**14%**	**9% - 19%**
Total Real Estate	**6%**	**0% - 8%**

APPENDIX II

INVESTMENT OBJECTIVES AND GUIDELINES
THE CITY OF BOSTON TRUST FUNDS

This appendix to the City of Boston Trust Funds Policy Statement is written to provide additional background regarding the selection and interpretation of various standards contained within the Guidelines.

*Preservation of capital in real and nominal terms:

Capital is expected to increase in absolute (nominal) terms, and 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.

If fund assets begin at $100 and rise to $110, a nominal return of 10% would be earned. If inflation were 3%, a real return of 7% would be earned (10%-3%).

Total return for the overall Composite Fund shall meet or exceed the Fund's Custom Index, and shall consistently rank in the top half of the Public Fund Universe:

OPEB's Custom Index consists of: 50% MSCI ACWI, 30% BBgBarc US Aggregate TR, 6% NCREIF Property Index, 7% PIMCO All Asset Benchmark*, 7% Credit Suisse Multi-Strategy.

The Custom Index for Pool 1 and Pool 5 consists of: 48% MSCI ACWI, 24% BBgBarc US Aggregate TR, 6% NCREIF Property Index, 6% PIMCO All Asset Benchmark, 6% Credit Suisse Multi-Strategy, 10% 60% S&P 500 / 40% BBgBarc Aggregate.

*PIMCO All Asset Index consists of 40% BC Aggregate / 30% Barclays Aggregate / 10% S&P 500 / 10% HY / 10% JPM EMBI + TR.

The Public Fund Universe is comprised of the investment results from other Public investment programs.

* 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.
For example:

	Return	Risk	Excess Return	Div. By Risk
T-Bills	4%	--	--	
S&P 500	8%	16%	4%	4/16 = 0.25

Manager A	8%	20%	4%	4/20 = 0.20

In this example, both the fund and the market earned 4% over T-Bills, but Manager A incurred somewhat more risk and had lower risk-adjusted returns - not a good situation.

*For managed accounts, duration not to exceed +/- 2 years of the benchmark:

Duration is a measure of interest rate sensitivity. It provides an 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 a 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 a duration in the 6-7 year range. However, a 20-year zero coupon bond will have a 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.

APPENDIX III

City of Boston Trusts

DERIVATIVES POLICY STATEMENT

A. Objectives

This derivatives policy statement identifies and allows common derivative investments and strategies which are consistent with applicable law and the Investment Policy Statement and requires investment managers to petition for the inclusion of additional derivative instruments and strategies. The guidelines also require investment managers to follow certain controls, documentation and risk management procedures.

B. Definition and Classification of Derivatives

A derivative is a security or contractual agreement which derives its value from some underlying security, commodity, currency, or index. These guidelines classify derivatives into four separate categories distributed across two classes: derivative contracts and derivative securities:

1. 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. Derivative Securities

a) Collateralized Mortgage Obligations (CMOs)

b) Structured Notes

C. Allowed Uses of Derivatives

1. Derivative Contracts

a) Hedging. To the extent that the non-derivative component of a portfolio is exposed to clearly defined risks and derivative contracts exist which 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, subject to the documentation requirements below.

b) Creation of Market Exposures. Investment managers are permitted to use derivatives to replicate the risk/return profile of an asset or asset class, provided that the guidelines for the investment manager allow for such exposures to be created with the underlying assets themselves.

c) **Management of Country and Asset Allocation Exposure.** Managers charged with tactically changing the exposure of their portfolio to different countries and/or asset classes are permitted to use derivative contracts for this purpose.

2. Derivative Securities

a) **"Plain Vanilla" CMOs.** For this policy, we will define a "plain vanilla" CMO as one which can be shown that the CMO is less exposed to interest rate and prepayment risk than the underlying collateral.

b) **Other CMOs.** CMOs which are not plain vanilla are restricted to 10% of a manager's portfolio.

c) **Structured Notes.** Structured notes may be used so long as the exposure implied by their payment formula would be allowed if created without use of structured notes.

D. Prohibited Uses of Derivatives

Any use of derivatives not listed in section C is prohibited without written approval of the Trust. Investment managers are encouraged to solicit such approval if they believe the list in section C is too restrictive. By way of amplification, it is noted that the following two uses of derivatives are prohibited:

1 **Leverage.** Derivatives shall not be used to magnify 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.

2 **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.

E. Transaction-Level Risk Control Procedures and Documentation Requirements

For each over-the-counter derivative transaction, except foreign exchange forward contracts, investment managers are required to obtain at least two competitive bids or offers. For small-issue CMOs, it is acceptable to obtain competitive prices on similar securities.

For all derivatives transactions, investment managers should maintain appropriate records to support that all derivative contracts used are employed for allowed strategies. In addition, the following requirements apply to derivative securities:

a) "Plain Vanilla" CMOs

Document that the CMO is in fact "plain vanilla", according to the definition in section C.2.a.

b) Other CMOs

These CMOs must be stress tested to estimate how their value and duration will change with extreme changes in interest rates. An extreme change is one of at least 300 basis points.

c) Structured Notes

Document that note does not create exposures which would not be allowed if created without derivatives.

F. Portfolio-Level Risk Control Procedures and Documentation Requirements

1. Counterparty Credit Risk

Managers are required to measure and monitor exposure to counterparty credit risk. All counterparties must have commercial paper credit ratings of at least A1 or equivalent rating.

2. Ongoing Monitoring of Risk Exposures

The duration and other risk exposure limits specified in the managers' guidelines are expected to be satisfied on an ongoing basis. Thus, managers must monitor changing risk exposures. Fixed income managers investing in CMOs should pay attention to the changing duration of their CMOs, and should anticipate potential changes in duration at the time CMOs are purchased so that interest rate and prepayment rate changes do not inadvertently move the portfolio out of compliance.

3. Valuation of Holdings

The investment managers and custodian shall provide the Trust with their pricing policies including a list of sources used. The Trust should be notified of any exceptions to these policies. The custodian is required to obtain prices independent of the manager, or to notify the Trust that independent prices are not available.

The investment managers are required to reconcile the valuations of all derivatives positions with the custodian not less than monthly.

4. Quarterly Reporting

Each manager using derivatives shall submit within thirty days of the end of each quarter a report with the following information:

a) A list of all derivative positions as of quarter-end.

b) An assessment of how the derivatives positions affect the risk exposures of the total portfolio.

c) An explanation of any significant pricing discrepancies between the manager and custodian bank.

d) An explanation of any events of non-compliance.

e) For managers of commingled funds, a list of derivative positions and assessment of the effect on the risk exposure of the portfolio.

G. Guidelines for Use of Pooled Funds Which Employ Derivatives

Mutual funds and other types of commingled investment vehicles provide, under some circumstances, lower costs and better diversification than can be obtained with separately managed funds pursuing the same investment objectives. However, commingled investment funds cannot customize investment policies and guidelines to the specific needs of individual clients. The Trust is willing to accept the policies of such funds to achieve the lower costs and diversification benefits of commingled funds.

Therefore, commingled investment vehicles are exempt from all policies specified above except F.4.e if:

a) The investment practices of the commingled fund are consistent with the spirit of this derivatives policy, and are not significantly different in letter

b) The benefits of using a commingled vehicle rather than a separate account are material.

APPENDIX IV

City of Boston Trusts

INVESTMENT MANAGER STANDARD OF INVESTMENT PERFORMANCE AND REPORTING REQUIREMENTS

Performance of this Fund will be evaluated on a regular basis. Consideration will be given to the degree to which performance results meet the goals and objectives as herewith set forth. Toward that end, the following standards will be used in evaluating investment performance.

A. The compliance of each investment manager with the guidelines as expressed herein.
B. The extent to which the total rate of return performance of the Fund achieves or exceeds the targeted goals.

As Necessary (based on occurrence)

Review of Organizational Structure:

A. Organizational changes (i.e., ownership).
B. Discussion of any material changes to the investment process.
C. Departures/additions to investment staff.
D. Material changes in assets under management for the product managed on behalf of the Trust and for total firm.
E. Managers shall disclose all pertinent information regarding all regulatory findings and/or litigation in which they were/are involved.

Monthly

Statements are to be supplied monthly by the investment managers or the custodian to the Treasury Division indicating:

A. The Fund composition at book (cost) and at market value by sector, including, minimally, equity, fixed income, cash equivalents and uninvested cash balances.
B. Position, by individually-named securities, showing both their respective book and market values.
C. All principal and income cash transactions, including sources of all interest and dividends in sufficient descriptive detail.

Quarterly

Summary of Investment Guidelines:

A. Discuss adherence to guidelines.
B. Comments, concerns, or suggestions regarding the policy statement.

Performance Review:

A. Present total fund and asset class returns for last calendar quarter, year-to-date, last year, last three years, last five years and since inception versus designated benchmarks.
B. Discuss performance relative to benchmarks, provide attribution analysis which identifies returns due to allocation and selection decisions, as appropriate.
C. Provide portfolio characteristics relative to benchmark.

Provide Portfolio Holdings:

A. Present book value and current market value.
B. List individual securities by sector, asset class, or country, as appropriate.

Annually

Review of Investment Process and Evaluation of Portfolio Management Process:

A. Brief review of investment process.
B. Investment strategy used over the past year and underlying rationale.
C. Evaluation (in hindsight) of strategy's appropriateness.
D. Evaluation of strategy's success/disappointments.
E. Current investment strategy and underlying rationale.
F. Written annual report of the proxy votes for all shares of stock in companies held in the manager's investment program that provides explanations of votes other than those considered routine. These reports shall specifically note any instances where proxies were not voted in accordance with the manager's standing policy.
G. Each manager shall provide an annual commission report to be delivered to the Board and Investment Consultant within forty-five (45) days of the end of each calendar year [December 31]. The report shall cover all trades executed during the prior calendar year.
H. Each manager shall submit their soft dollar policy, as well as their soft dollar "usage" to be delivered to the Board and Investment Consultant within forty-five (45) days of the end of each calendar year [December 31].
I. Managers shall annually report to the Board, standing policies with respect to ethics and professional practice, within forty-five (45) days of the end of the calendar year [December 31]. Managers shall annually report to the Board compliance with the CFA Institute (CFAI) Code of Ethics. Managers shall disclose if they are made aware of any Chartered Financial Analyst (CFA) charter holders employed by their firm that have been publicly censured by the CFAI.