

SUNRISE POLICE OFFICERS' RETIREMENT PLAN
INVESTMENT POLICY
AMENDED FEBRUARY 2011
AMENDED JUNE 2011 (Approved February 02, 2012)
AMENDED AUGUST 2013
AMENDED FEBRUARY 2014
AMENDED NOVEMBER 2014
AMENDED MAY 2016
AMENDED NOVEMBER 2016
AMENDED FEBRUARY 2018

Name of Plan: Sunrise Police Officer's Retirement Plan

Plan Sponsor: Sunrise, Florida

Current Board of Trustees: **Police Department**
Michael West, Chairman
Bill Bettencourt, Board Secretary

City Appointees
Dan Ransone
Louis Berman

5th Member
Eric Goldstein

Pension Fund Administrator Dave Williams

Custodian: Fiduciary Trust International

Investment Consultant: AndCo

Actuary: Gabriel, Roeder, Smith

Accountant: Davidson, Jamieson & Cristini

Legal Counsel: Rice, Pugatch, Robinson, Storfer & Cohen PLLC

Actuarial Assumption: The Board has determined based on the recommendations of the consultants that the total expected annual rate of return for the next several years and the long term as follows: Effective October 1, 2010 8.4%, effective October 1, 2011 - 8.3%, effective October 1, 2012 - 8.2%, effective October 1, 2013 - 8.1%, effective October 1, 2014 - 8.0%, effective October 1, 2016 - 7.75%, effective October 1, 2017 - 7.70%

(1) SCOPE

The investment Policy shall apply to all funds under control of the Board. Detailed guidelines are attached to and made a part of this Investment Policy Statement.

(2) INVESTMENT OBJECTIVES

1. To obtain a reasonable total rate of return – defined as income plus realized and unrealized capital gains and losses – commensurate with the Prudent Investor Rule.
2. To obtain reasonable consistency of returns on a year-to-year basis, with concern for loss of capital being paramount.
3. To have the ability to pay all benefit and expense obligations when due.
4. To maintain sufficient funding for (a) unexpected developments, (b) possible future increases in benefits and/or (c) reduction in expected returns on investment or interest rate assumptions.

(3) PERFORMANCE MEASUREMENT

The Board has specified performance measures as are appropriate for the nature and size of the assets within the Board's custody. Those performance measures are set forth in the Internal Controls section of this Investment Policy.

(4) INVESTMENT AND FIDUCIARY STANDARDS

In performing its investment duties, the Board shall comply with the fiduciary standards set forth in the Employees Retirement Income Security Act of 1974, 29 U.S.C. §1104(a)(1)(A) – (C), meaning that Board members must discharge their duties with respect to the Plan solely in the interest of participants and beneficiaries and for the exclusive purpose of: (a) providing benefits to participants and their beneficiaries and (b) defraying reasonable expenses of administering the Plan; with the care, skill, prudence and diligence under circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; by diversifying investments of the plan so as to minimize risk of large losses, unless under the circumstances it is clearly prudent not to do so. In the event of conflict with other provisions of law authorizing investments, the investment and fiduciary standards set forth in this section shall prevail.

(5) AUTHORIZED INVESTMENTS

The attached Investment Guidelines list investments authorized by the Board. Investments not so listed are prohibited.

Direct investment in 'Scrutinized Companies' identified in the periodic publication by the State Board of Administration ("SBA list", updated on their website www.sbafla.com/fsb/), is prohibited. Any security identified as non-compliant on or before January 1, 2010 must be divested by September 1, 2010. Securities identified after January 1, 2010, are subject to the

provision below. However, if divestiture of business activities is accomplished and the company is subsequently removed from the SBA list, the manager can continue to hold that security. Indirect investment in 'Scrutinized Companies' (through pooled funds) are governed by the paragraph below.

The Investment Consultant, on behalf of the Plan, shall send a letter to any pooled fund referring the investment manager to the listing of 'Scrutinized Companies' by the State Board of Administration ('SBA list'), on their website www.sbafla.com/fsb/. This letter shall request that they consider removing such companies from the fund or create a similar actively managed fund having indirect holdings devoid of such companies. If the manager creates such a similar fund, the Plan shall replace all applicable investments with investments in the similar fund in an expedited timeframe consistent with prudent investing standards. For the purposes of this section, a private equity fund is deemed to be an actively managed investment fund. However, after sending the required correspondence, the Plan is not required to sell the pooled fund.

(6) MATURITY AND LIQUIDITY REQUIREMENTS

The investment portfolio is structured in such a manner as to provide sufficient liquidity to pay obligations as they come due. To that end, the Board has attempted to match investment maturities with known cash needs and anticipated cash-flow requirements.

(7) PORTFOLIO COMPOSITION

The Investment Guidelines establish parameters for investments and limits on security issues, issuers and maturities. Said Guidelines are commensurate with the nature and size of the funds within control of the Board. The Board believes that the Plan's risk and liquidity posture are, in large part, a function of asset class mix. The Board has reviewed long-term performance characteristics of various asset classes, focusing on balancing the risks and rewards of market behavior.

(8) RISK AND DIVERSIFICATION

The Investment Guidelines provide for appropriate diversification of the portfolio. Investments have been diversified to the extent practicable to control risk of loss resulting from over concentration in a specific maturity, issuer, instrument, dealer or bank through which financial instruments are bought and sold. The Board recognizes the difficulty of achieving the Plan's investment objectives in light of uncertainties and complexities of contemporary investment markets. The Board also recognizes that some risk must be assumed to achieve the Plan's long-term investment objectives. In establishing the risk tolerances, the Plan's ability to withstand short and intermediate term variability has been considered. However, the Plan's strong financial condition enables the Board to adopt a long-term investment perspective.

(9) EXPECTED ANNUAL RATE OF RETURN

The desired investment objective is a long-term rate of return on assets, net of investment expenses, that is at least equal to the actuarial assumption and which is five percent greater than the anticipated rate of inflation as measured by the Consumer Price Index (CPI). The target rate of return is for the current year, for each of the next several years and for the long-term thereafter. The target rate of return has been based on the assumption that future real returns will approximate the long-term rates of return experienced for each asset class in the Investment Guidelines. Because market performance varies and a fixed percent return may not be meaningful during some periods, the Board has established performance benchmarks for Managers, as set forth in the Internal Controls section of this Investment Policy. Over a complete business cycle, the Plan's overall annualized total return, after deducting investment and transaction costs, should perform above the median of an appropriate universe and above a customized index composed of various market indices weighted by the strategic asset allocation of the Plan's assets.

(10) THIRD-PARTY CUSTODIAL AGREEMENTS

All assets shall be held by a third party. All securities purchased by and all collateral obtained by the Board shall be properly designated as an asset of the Plan. No withdrawal of assets, in whole or in part, shall be made except upon authorization by the Board. Securities transactions between a broker-dealer and the Custodian involving purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis to ensure that the Custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

(11) MASTER REPURCHASE AGREEMENT

All approved institutions and dealers transacting repurchase agreements shall execute and perform as stated in the Master Repurchase Agreement. All repurchase agreement transactions shall adhere to requirements of the Master Repurchase Agreement. This provision does not restrict or limit the terms of any such Master Repurchase Agreement.

(12) BID REQUIREMENT

The Board shall determine the approximate maturity date based on cash-flow needs and market conditions, analyze and select one or more optimal types of investment and competitively bid the security in question when feasible and appropriate. Except as otherwise required by law, the most economically advantageous bid must be selected.

(13) INTERNAL CONTROLS

The attached system of internal controls and operational procedures has been adopted by the Board and shall be reviewed by its independent certified public accountants as part of any financial audit of the Plan.

In addition, the Board has adopted the following internal controls with reference to selection and review of Money Managers:

- A. Selection of Money Managers. The Board, with assistance from the Investment Consultant, has selected, and will select, appropriate Money Managers to manage Plan assets. Managers must meet the following minimum criteria:
 - 1. Be a bank, insurance company, investment management company or investment adviser, as defined by the Investment Advisers Act of 1940.
 - 2. Provide historical quarterly performance numbers, calculated on a time-weighted basis, based on a composite of fully discretionary accounts of similar investment style, reported net and gross of fees.
 - 3. Provide detailed information on the history of the firm, key personnel, key clients, fee schedule and support personnel.
 - 4. Clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.

- B. Duties and Responsibilities of Money Managers. The duties and responsibilities of each Money Manager retained by the Board include:
 - 1. Managing Plan assets under its care, custody and/or control in accordance with this Investment Policy or in accordance with separate written agreements when modification is deemed prudent and desirable by the Board.
 - 2. Exercising investment discretion (including holding cash equivalents as an alternative) within the objectives and guidelines set forth in this Investment Policy.
 - 3. Promptly informing the Board in writing regarding all significant and/or material matters and changes pertaining to the investment of Plan assets, including, but not limited to:
 - a. Investment Strategy
 - b. Portfolio Structure
 - c. Tactical Approaches
 - d. Ownership
 - e. Organizational Structure
 - f. Financial Condition
 - g. Professional Staff
 - h. Recommendations for Guidelines Changes
 - i. All legal, SEC and other proceedings affecting the firm
 - 4. Timely voting all proxies and related actions in a manner consistent with the long-term interests and objectives of the Plan as set forth herein. Each Manager shall

keep a detailed record of said proxy voting and related actions and will comply with all regulatory obligations related thereto. Reports of such voting and actions shall be delivered to the Board no less frequently than quarterly.

5. Utilizing the same care, skill, prudence and due diligence under the circumstances then prevailing that experienced investment professionals acting in a like capacity and fully familiar with such matters would use like activities for like retirement plans with like aims in accordance with all applicable laws, rules and regulations from local, state, federal and international political entities as they may pertain to fiduciary duties and responsibilities.
6. Acknowledging and agreeing in writing to their fiduciary responsibility to fully comply with this entire Investment Policy, as same may be modified from time to time.

C. **Monitoring of Money Managers.** Quarterly performance will be evaluated to test progress toward the attainment of long-term targets. The Board understands that there may be short-term periods during which performance deviates from market indices. During such periods, greater emphasis shall be placed on peer performance comparison with managers employing similar styles.

From time to time, but no less than quarterly, the Board will meet to focus on:

1. Manager's adherence to this Investment Policy.
2. Material changes in the Manager's organization, investment philosophy and/or personnel.
3. Comparisons of Manager's results to appropriate indices and style universes. Specifically the Russell 1000 Value (R1000V) Index for large cap value equities and Russell 1000 Growth (R1000G) Index for large growth equities; the Russell 2500 SMID Cap Index for SMID equities; the S&P400 MidCap Index for mid cap equities; the MSCI EAFE Index for international equities; the Bloomberg Barclays Capital Government/Credit Intermediate Index and the Bloomberg Barclays Capital High Quality Aggregate Bond A or higher Index for fixed income, and the NCREIF Property Index for Real Estate.
5. The risk associated with each Manager's portfolio, as measured by variability of quarterly returns (standard deviation), which should not exceed that of the benchmark index without a corresponding increase in performance above the benchmark index.

In addition, the Board will focus on:

1. The Manager's performance relative to managers of like investment style or strategy. Each manager is expected to perform in the upper half of its respective style universe.
2. The Plan's investment performance results compared to the Manager's overall composite performance figures to determine unaccounted for dispersion between the Manager's reported results and the Plan's results. The Manager shall provide composite data if requested.

The Board is aware that ongoing review and analysis of Money Managers is as important as the due diligence utilized during the manger selection process. Accordingly, a thorough review and analysis of the Money Manager will be conducted if:

1. A Manager performs in the bottom quartile of its peer group over two consecutive quarters or over an annual period.
2. A Manager falls in the "southeast quadrant" of the risk/return scattergram for a three or five-year period.
3. A Manager under-performs its index for four consecutive quarters.

Further, a Manager may be replaced at any time and for any reason, including but not limited to the following:

1. A Manager consistently performs below the median of its peer group over rolling three-year periods.
2. A Manager has a consistently negative alpha over rolling three-year periods.

The following events also warrant immediate review of the Manager:

1. Changes in professional staff.
2. Significant loss of business.
3. Significant increase in business.
4. Change in ownership and/or control.

(14) CONTINUING EDUCATION

All Board members are encouraged and expected to attend continuing education seminars concerning matters related to investments and responsibilities of Board members. Without limiting the foregoing, Board members are pre-authorized to attend in-state or out of state seminars covering public retirement plans.

(15) REPORTING

The Board shall submit an annual report to the City of Sunrise. The report shall include investments in the portfolio by class or type, income earned and market value. The annual report shall be available to the public.

(16) FILING OF INVESTMENT POLICY

Upon adoption by the Board, this Investment Policy shall be promptly filed with the Florida Department of Management Services, the City of Sunrise and the Actuary. The effective date of this Investment Policy, and any amendment hereto, shall be 31st calendar day following the filing date with the City.

(17) VALUATION OF ILLIQUID INVESTMENTS

Investments and assets for which a generally recognized market is not available or for which there is no consistent or generally accepted pricing mechanism are prohibited.

For the Board of Trustees of the City of Sunrise Police Officers' Retirement Plan Date

Sunrise Police Pension Fund

INVESTMENT GUIDELINES

FUND OBJECTIVES

To conduct the operations of the Fund 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 Guidelines

The investment of the Fund'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 Fund; the amount of Fund assets; financial, industrial and economic conditions.

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

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:

Equities are traded on one or more of the following recognized national exchanges:

- 1) New York Stock Exchange
- 2) American Stock Exchange
- 3) The NASDAQ Stock Market
- 4) The OTC Exchange
- 5) Appropriate National and International Exchange for International Managers

Not more than five percent (5%) of the market value of the Fund'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.

The individual issue meets the following rating criteria:

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

Any issue, if downgraded to the (4th) category by any of the ratings services must be sold within a reasonable period of time not to exceed twelve (12) months. Fixed income investments that are downgraded below the (4th) category shall be liquidated in a prudent manner and time.

- 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 (except for Mutual of America to equitize their cash holdings only).
6. Real property, limited to open ended broadly diversified core collective real property investment vehicles and equity real estate securities, as permitted by Section 215.47, Florida Statutes. Diversification shall be by property type and region. Total real estate investments shall be limited to no more than fifteen percent (15%) of the total portfolio, and no more than five (5%) percent of the total portfolio may be invested in any one real estate investment vehicle or security. Any real estate investment shall require that the underlying real property included in the real estate portfolio be appraised at least once every three years by an independent property appraiser retained by the real estate manager and appraised internally, at least annually. Each investment shall be measured against an appropriate benchmark, as recommended by the board's investment consultant and approved by the board. Direct investment in individual properties shall be prohibited.
7. The Board places great importance on risk reduction through asset and style diversification. The manager should realize that it would operate as part of a larger multi-manager allocation strategy. The manager is advised that it has been selected to perform investment services based in part on its particular investment style characteristics and the diversification benefits such style may produce in relationship to the style characteristics of other managers retained by the board. The manager should therefore endeavor to maintain a consistent style, subject at times to its full discretion and continued fiduciary obligations.
8. The Board will review performance on a quarterly basis. Normally, performance will be evaluated over a three to five year time horizon. These periods are considered sufficient to accommodate the different market cycles commonly experienced with investments, but shorter-term results will be regularly reviewed and earlier action taken if in the best interest of the plan. Investment performance objectives are not the sole reason for retention or termination of a manager.

OVERALL ASSET ALLOCATION

1. Constraints. The Board believes the plan'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

Real Estate

b. Strategic Guidelines. Based on the plan'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 target asset allocation of the plan is as follows:

Large Cap Stocks	31%
Small/Mid Cap Stocks	10%
MidCap Stocks	10%
Real Estate	8%
International Stocks	9%
Fixed Income	32%

c. Management Structure. To diversify plan assets so as to minimize the risk associated with dependence on the success on one enterprise, the Pension Board has decided to employ a multi-manager team approach to investing plan assets.

The asset management structure is currently as follows:

Asset Class	Target	Minimum	Maximum
Domestic Stocks (at Market Value)	51%	41%	65%
Domestic Stocks (at Time of Purchase)	51%	41%	61%
Large Cap Value	15.5%	10.5%	20.5%
SMID Cap	10%	5%	15%
Large Cap Growth Equity	15.5%	10.5%	20.5%
Mid Cap Equity	10%	5%	15%
International Equity	9%	0%	14%
ASB Real Estate	4%	0%	5%
Barings Real Estate	4%	0%	5%
Domestic Fixed Income	32%	27%	50%
Intermediate Fixed Income	16%	11%	25%
Core Fixed Income	16%	11%	25%

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 trust 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 target, 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 Consultant to assist in the rebalancing process.

INVESTMENT MANAGER

The Trustees 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 Trustees with a statement of fiduciary responsibility. The Trustees will provide that Manager(s) certain guidelines, including, but not limited to, the interest assumption necessary to support the actuarial soundness of the Plan, the cash liquidity necessary to provide monthly pensions, and the current and projected cash flow into the Fund.

INVESTMENT REVIEW

The Trustees 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 Plan.

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, Sunrise Police Officers' Pension Fund

Date

Garcia Hamilton Fixed Income

REVIEW AND AMENDMENTS

It is intended the Investment Manager and Trustees review this document periodically. In this regard, the Investment Manager's interest in consistency in these matters is recognized and will be taken into account when changes are being considered. If at any time any Investment Manager feels that the specific objectives defined herein cannot be met, or the guidelines constrict performance, the Trustees should be so notified in writing. By initial and continuing acceptance of this Investment Policy Statement, the Investment Manager concurs with the provisions of this document.

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

- a. The manager has been retained to pursue a Fixed Income portfolio. The manager's particular style is generally characterized by a portfolio with A or better rated fixed securities.
- b. Over a three to five year time horizon, fixed income performance should be equal or greater than the return of the Bloomberg Barclays Intermediate Government/Credit Index. The new fixed income portfolio performance (inception January 1, 2007) should be equal to or greater than the return of the Bloomberg Barclays Aggregate Bond Index (A rated bonds or better).
- c. Over a three to five year time horizon, fixed income performance should be greater than the median (50th percentile) of an appropriate fixed income universe. Placing above the 50th percentile is not a condition of retention.
- d. The actual allocation can, however, vary at any time within ranges specified below, as a result of gains and losses in the portfolio or as a result of deliberate action of the manager based upon its view of prospective market conditions:

	<u>Maximum</u>	<u>Minimum</u>
Fixed Income	100%	80%
Cash	20.0%	0.0%

For the Board of Trustees of the City of Sunrise Police Officers' Retirement Plan Date

Garcia Hamilton

Date

Ceredex Large Value Equity

REVIEW AND AMENDMENTS

It is intended the Investment Manager and Trustees review this document periodically. In this regard, the Investment Manager's interest in consistency in these matters is recognized and will be taken into account when changes are being considered. If at any time any Investment Manager feels that the specific objectives defined herein cannot be met, or the guidelines constrict performance, the Trustees should be so notified in writing. By initial and continuing acceptance of this Investment Policy Statement, the Investment Manager concurs with the provisions of this document.

In addition to the above, Ceredex Value Advisors (Large Cap Equity) is subject to the following specific guidelines:

- a. The manager has been retained to pursue a portfolio featuring a Value Equity style. The manager's particular style is generally characterized by a portfolio with price to earnings and price to book ratios lower than the S&P 500 Index and dividend yields higher than the S&P 500 Index. Over a three to five year time horizon, equity performance should be equal or greater than the return of the R1000V Index. At times, performance may be compared to other equity indices denoting an appropriate style bias to better explain returns. (e.g. S&P/Barra Value, S&P 500, etc.).
- b. Over a three to five year time horizon, equity performance should be greater than the median (50th percentile) of an appropriate equity universe. Placing above the 50th percentile is not a condition of retention.
- c. The manager shall adhere to the following target asset allocation in investing the funds allocated to it by the Board: 100% Equities.
- d. Up to 15% of the market value of the portfolio may be invested in securities issued by entities organized outside of the United States, including those denominated in currencies other than the US Dollar. Consultant to review that this international allocation remains below the 25% allocation of the Total Fund set by Statute.
- e. The actual allocation can, however, vary at any time within ranges specified below, as a result of gains and losses in the portfolio or as a result of deliberate action of the manager based upon its view of prospective market conditions:

	<u>Maximum</u>	<u>Minimum</u>
Equities	100.0%	90.0%
Cash	10.0%	0.0%

- f. The equity portion of the manager's portfolio shall not be exposed to risks that exceed an annual average beta coefficient of 1.15 where 1.0 is equal to the market volatility of the R1000V Index.

- g. No equity investments shall be made in companies with a market capitalization less than \$1 billion at the time of purchase.

For the Board of Trustees of the City of Sunrise Police Officers' Retirement Plan Date

Ceredex Advisors Date

Polen Large Growth Equity

REVIEW AND AMENDMENTS

It is intended the Investment Manager and Trustees review this document periodically. In this regard, the Investment Manager's interest in consistency in these matters is recognized and will be taken into account when changes are being considered. If at any time any Investment Manager feels that the specific objectives defined herein cannot be met, or the guidelines constrict performance, the Trustees should be so notified in writing. By initial and continuing acceptance of this Investment Policy Statement, the Investment Manager concurs with the provisions of this document.

In addition to the above, Polen Capital (Large Cap Growth) is subject to the following specific guidelines:

- b. The manager has been retained to pursue a portfolio featuring a Growth Equity style. The manager's particular style is generally characterized by a portfolio with price to earnings and price to book ratios higher than the S&P 500 Index and dividend yields lower than the S&P 500 Index. Over a three to five year time horizon, equity performance should be equal or greater than the return of the R1000G Index. At times, performance may be compared to other equity indices denoting an appropriate style bias to better explain returns. (e.g. S&P/Barra Growth, S&P 500, etc.).
- b. Over a three to five year time horizon, equity performance should be greater than the median (50th percentile) of an appropriate equity universe. Placing above the 50th percentile is not a condition of retention.
- c. The manager shall adhere to the following target asset allocation in investing the funds allocated to it by the Board: 100% Equities.
- d. Up to 15% of the market value of the portfolio may be invested in securities issued by entities organized outside of the United States, including those denominated in currencies other than the US Dollar. Consultant to review that this international allocation remains below the 25% allocation of the Total Fund set by Statute.
- e. The actual allocation can, however, vary at any time within ranges specified below, as a result of gains and losses in the portfolio or as a result of deliberate action of the manager based upon its view of prospective market conditions:

	<u>Maximum</u>	<u>Minimum</u>
Equities	100.0%	90.0%
Cash	10.0%	0.0%

- f. The equity portion of the manager's portfolio shall not be exposed to risks that exceed an annual average beta coefficient of 1.3 where 1.0 is equal to the market volatility of the R1000G Index.

- g. No equity investments shall be made in companies with a market capitalization less than \$1 billion at the time of purchase.

For the Board of Trustees of the City of Sunrise Police Officers' Retirement Plan Date

Polen Capital Date

Rhumblin Large Growth Equity

REVIEW AND AMENDMENTS

It is intended the Investment Manager and Trustees review this document periodically. In this regard, the Investment Manager's interest in consistency in these matters is recognized and will be taken into account when changes are being considered. If at any time any Investment Manager feels that the specific objectives defined herein cannot be met, or the guidelines constrict performance, the Trustees should be so notified in writing. By initial and continuing acceptance of this Investment Policy Statement, the Investment Manager concurs with the provisions of this document.

In addition to the above, Rhumblin (Large Cap Growth) is subject to the following specific guidelines:

- c. The manager has been retained to pursue a portfolio featuring a Growth Equity style. The manager's particular style is generally characterized by a portfolio with price to earnings and price to book ratios higher than the S&P 500 Index and dividend yields lower than the S&P 500 Index. Over a three to five year time horizon, equity performance should be equal or greater than the return of the R1000G Index. At times, performance may be compared to other equity indices denoting an appropriate style bias to better explain returns. (e.g. S&P/Barra Growth, S&P 500, etc.).
- b. Over a three to five year time horizon, equity performance should be greater than the median (50th percentile) of an appropriate equity universe. Placing above the 50th percentile is not a condition of retention.
- c. The manager shall adhere to the following target asset allocation in investing the funds allocated to it by the Board: 100% Equities.
- d. Up to 15% of the market value of the portfolio may be invested in securities issued by entities organized outside of the United States, including those denominated in currencies other than the US Dollar. Consultant to review that this international allocation remains below the 25% allocation of the Total Fund set by Statute.
- e. The actual allocation can, however, vary at any time within ranges specified below, as a result of gains and losses in the portfolio or as a result of deliberate action of the manager based upon its view of prospective market conditions:

	<u>Maximum</u>	<u>Minimum</u>
Equities	100.0%	90.0%
Cash	10.0%	0.0%

- f. The equity portion of the manager's portfolio shall not be exposed to risks that exceed an annual average beta coefficient of 1.3 where 1.0 is equal to the market volatility of the R1000G Index.

- g. No equity investments shall be made in companies with a market capitalization less than \$1 billion at the time of purchase.

For the Board of Trustees of the City of Sunrise Police Officers' Retirement Plan Date

Rhumblin Advisors Date

New Amsterdam SMID Equity

REVIEW AND AMENDMENTS

It is intended the Investment Manager and Trustees review this document periodically. In this regard, the Investment Manager's interest in consistency in these matters is recognized and will be taken into account when changes are being considered. If at any time any Investment Manager feels that the specific objectives defined herein cannot be met, or the guidelines constrict performance, the Trustees should be so notified in writing. By initial and continuing acceptance of this Investment Policy Statement, the Investment Manager concurs with the provisions of this document.

In addition to the above, New Amsterdam Partners, LLC (SMID Cap Equity) is subject to the following specific guidelines:

- a. The manager has been retained to pursue a portfolio featuring a Small/Mid Cap Equity style.
- b. Over a three to five year time horizon, equity performance should be equal to or greater than the return of the Russell 2500 Index. At times, performance may be compared to other equity indices denoting an appropriate style bias to better explain returns.
- c. Over a three to five year time horizon, equity performance should be greater than the median (50th percentile) of an appropriate equity universe. Placing above the 50th percentile is not a condition of retention.
- d. The manager shall adhere to the following target asset allocation in investing the funds allocated to it by the Board: 100% Small/Mid Cap Equities.
- e. Up to 15% of the market value of the portfolio may be invested in securities issued by entities organized outside of the United States, including those denominated in currencies other than the US Dollar. Consultant to review that this international allocation remains below the 10% allocation of the Total Fund set by Statute.
- f. The actual allocation can, however, vary at any time within ranges specified below, as a result of gains and losses in the portfolio or as a result of deliberate action of the manager based upon its view of prospective market conditions:

	<u>Maximum</u>	<u>Minimum</u>
Small/Mid Cap Equities	100.0%	85.0%
Cash	15%	0.0%
- f. The equity portion of the manager's portfolio shall not be exposed to risks that exceed an annual average beta coefficient of 1.15 where 1.0 is equal to the market volatility of the Russell 2500 Index.
- g. The issuer of equity securities must have a publicly available operation record of at least five years, which may include past performance resulting from mergers, acquisitions, and spin-offs.

- h. No equity investments shall be made in companies with a market capitalization greater than the largest company in the Russell 2500 Index at the time of purchase.

For the Board of Trustees of the City of Sunrise Police Officers' Retirement Plan Date

New Amsterdam Partners Date

Mutual of America Mid Cap Equity

REVIEW AND AMENDMENTS

It is intended the Investment Manager and Trustees review this document periodically. In this regard, the Investment Manager's interest in consistency in these matters is recognized and will be taken into account when changes are being considered. If at any time any Investment Manager feels that the specific objectives defined herein cannot be met, or the guidelines constrict performance, the Trustees should be so notified in writing. By initial and continuing acceptance of this Investment Policy Statement, the Investment Manager concurs with the provisions of this document.

In addition to the above, Mutual of America Capital Management (S&P400 MidCap Index Fund) is subject to the following specific guidelines:

- a. The manager has been retained to pursue a portfolio featuring a MidCap Index Fund Equity style. The manager's particular style is generally characterized by a portfolio with price to earnings, price to book ratios and dividend yields exactly the same as the S&P 400 Index.
- b. Over a three to five year time horizon, gross equity performance should be consistent with the return of the S&P400 MidCap Index.
- c. Over a three to five year time horizon, gross equity performance should be consistent with the S&P400 MidCap Index equity universe.
- d. The manager shall adhere to the following target asset allocation in investing the funds allocated to it by the Board: 100% Equities.
- e. The actual allocation can, however, vary at any time within ranges specified below, as a result of gains and losses in the portfolio:

	<u>Maximum</u>	<u>Minimum</u>
Equities	100.0%	90.0%
Cash	10.0%	0.0%

- f. The equity portion of the manager's portfolio shall not be exposed to risks that exceed an annual average beta coefficient of 1.0 where 1.0 is equal to the market volatility of the S&P400 MidCap Index.
- g. The issuer of equity securities must have a publicly available operation record of at least five years, which may include past performance resulting from mergers, acquisitions, and spin-offs.
- h. No equity investments shall be made in companies with a market capitalizations that are outside the capitalization range of the S&P400 MidCap Index at the time of purchase.
- i.

For the Board of Trustees of the City of Sunrise Police Officers' Retirement Plan **Date**

Mutual of America Capital Management

Date

J.P Morgan and Vanguard International Equity

REVIEW AND AMENDMENTS

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In addition to the above, J.P. Morgan and Vanguard (International Equity) are subject to the following specific guidelines:

- a. The manager has been retained to pursue a portfolio featuring an International Equity style.
- b. Over a three to five year time horizon, gross equity performance should be consistent with the return of the MSCI EAFE Index.
- c. Over a three to five year time horizon, gross equity performance should be consistent with the International Equity universe.

For the Board of Trustees of the City of Sunrise Police Officers' Retirement Plan

Date

ASB and Barings Real Estate

REVIEW AND AMENDMENTS

It is intended the Investment Manager and Trustees review this document periodically. In this regard, the Investment Manager's interest in consistency in these matters is recognized and will be taken into account when changes are being considered. If at any time any Investment Manager feels that the specific objectives defined herein cannot be met, or the guidelines constrict performance, the Trustees should be so notified in writing. By initial and continuing acceptance of this Investment Policy Statement, the Investment Manager concurs with the provisions of this document.

In addition to the above, ASB and Barings (Real Estate) are subject to the following specific guidelines:

- a. The manager has been retained to pursue a diversified core real estate portfolio.
- b. Over a three to five year time horizon, gross performance should be consistent with the return of the NCREIF Property Index.
- c. Over a three to five year time horizon, gross performance should be consistent with the Core Open End U.S. private real estate universe.

For the Board of Trustees of the City of Sunrise Police Officers' Retirement Plan

Date