City Pension Fund for Firefighters and Police Officers
in the City of Miami Beach

PENSION PLAN INVESTMENT POLICY

Adopted – July 21, 2022

Effective – September 1, 2022

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CITY PENSION FUND FOR FIREFIGHTERS AND POLICE OFFICERS IN THE CITY OF MIAMI BEACH

Name of Plan:	City Pension Fund for Firefighters and Police Officers in the City of Miami Beach
Plan Sponsor:	City of Miami Beach, Florida
Current Board of Trustees:	**Police Department** **Steven L. Feldman** **Daniel D. Molina** James D. Nolan **Fire Department** David J. Frazier, Jr. Paul D. Johnson Dwight M. Nicholas **Administration** Hernan D. Cardeno Eric Carpenter Tameka Otto Stewart
Executive Director:	Donna Brito
Custodian:	Fiduciary Trust International
Money Managers:	**Allspring Global Investments** GCM Grosvenor Intercontinental Real Estate Corporation Inverness Counsel, LLC J.P. Morgan Asset Management Logan Capital Management, Inc. Nationwide Retirement Solutions (Self-Directed DROP) RhumbLine Advisers Tocqueville Asset Management Voya (Self-Directed DROP) Wellington Management Company, LLP
Investment Consultant:	AndCo Consulting
Actuary:	GRS Gabriel Roeder Smith & Company
Accountant:	Kabat, Schertzer, De La Torre, Taraboulos & Co.
Legal Counsel:	Klausner, Kaufman, Jensen & Levinson

(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 Person 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. If on October 1, 2000, investments exceed the applicable limit or do not satisfy the applicable investment standard, such excess or noncompliant investment may be continued until it is economically feasible to dispose of such investment, but no additional investment may be made.

(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, and 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 fully to comply with this entire Investment Policy, as same may be modified from time to time. **The Board acknowledges that certain investment managers may be unwilling to sign the investment policy. The relationship with those funds will be guided by a subscription agreement and any applicable side letter.**

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.

4. 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 manager 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 underperforms 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 certain conferences held within the state of Florida.

(15) REPORTING

The Board shall submit annual reports to the City of Miami Beach. The reports shall include investments in the portfolio by class or type, income earned and market value. The annual reports 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 Miami Beach 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.

THE CITY PENSION FUND FOR FIREFIGHTERS AND POLICE OFFICERS IN THE CITY OF MIAMI BEACH INVESTMENT POLICY GUIDELINES

REVISED JULY 21, 2022
EFFECTIVE DATE SEPTEMBER 1, 2022

I. FOR ALL INVESTMENT MANAGERS

Purpose of Investment Policy Statement

The Pension Board Trustees maintain that an important determinant of future investment returns is the expression and periodic review of the Fund's Investment objectives. To that end, the Trustees have adopted this statement of Investment Policy.

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

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

II. INVESTMENT PERFORMANCE OBJECTIVES AND ASSET ALLOCATION TARGETS - QUARTERLY EVALUATION

A. The Total Fund

Beginning October 1, 2013, the performance of the portfolio will be compared to the return of a portfolio comprised of 24% of the S&P500 Index, 8% Russell 2000 Small Cap Index (R2000), 8% S&P400 MidCap Index, 5% of the Russell 1000 Growth Index (R1000G), 5% of the Russell 1000 Value Index (R1000V), 5% MSCI EAFE Index (EAFE), 5% NCREIF Property Index, 15% of the Barclays Capital Government Credit Index (BCGC), 15% of the Barclays Capital Intermediate Government Credit Index (BCIGC), 5% of the Citigroup World Government Ex-US, and 5% T-Bill.

Beginning January 1, 2018, the performance of the portfolio will be compared to the return of a portfolio comprised of 24% of the S&P500 Index, 8% Russell 2000 Small Cap Index (R2000), 8% S&P400 MidCap Index, 5% of the Russell 1000 Growth Index (R1000G), 5% of the Russell 1000 Value Index (R1000V), 5% MSCI EAFE Index (EAFE),10% NCREIF Property Index, 12.5% of the Barclays Capital Government Credit Index (BCGC), 12.5% of the Barclays Capital Intermediate Government Credit Index (BCIGC), 5% of the Citigroup World Government Ex-US, and 5% T-Bill.

Beginning August 1, 2019, the performance of the portfolio will be compared to the return of a portfolio comprised of 20% of the S&P500 Index, 10% Russell 2000 Small Cap Index (R2000), 10% S&P400 Mid Cap Index, 5% of the Russell 1000 Growth Index (R1000G), 5% of the Russell 1000 Value Index (R1000V), 5% MSCI EAFE Index (EAFE),10% NCREIF Property Index, 12.5% of the Barclays Capital Government Credit Index (BCGC), 12.5% of the Barclays Capital Intermediate Government Credit Index (BCIGC), 5% of the FTSE Non-U.S. World Government Bond, and 5% T-Bill.

Beginning July 1, 2020, the performance of the portfolio will be compared to the return of a portfolio comprised of 20% of the S&P500 Index, 10% Russell 2000 Small Cap Index (R2000), 10% S&P400 Mid Cap Index, 5% of the Russell 1000 Growth Index (R1000G), 5% of the Russell 1000 Value Index (R1000V), 5% MSCI EAFE Index (EAFE),10% NCREIF Property Index, 12% of the Barclays Capital Government Credit Index (BCGC), 12% of the Barclays Capital Intermediate Government Credit Index (BCIGC), 5% of the FTSE Non-U.S. World Government Bond, and 6% T-Bill.

Beginning October 1, 2020, the performance of the portfolio will be compared to the return of a portfolio comprised of 19% of the S&P500 Index, 10% of the Russell 2000 Small Cap Index (R2000), 10% of the S&P400 Mid Cap Index, 5% of the Russell 1000 Growth Index (R1000G), 5% of the Russell 1000 Value Index (R1000V), 5% of the MSCI EAFE Index (EAFE), 15% of the NCREIF Property Index, 9.5% of the Barclays Capital Government Credit Index (BCGC), 9.5% of the Barclays Capital Intermediate Government Credit Index (BCIGC), 5% of the FTSE Non-U.S. World Government Bond, 1% of the 90-Day T-Bill plus 5 % and 6% T-Bill.

Beginning **September 1, 2022**, the performance of the portfolio will be compared to the return of a portfolio comprised of 19% of the S&P500 Index, 10% of the Russell 2000 Small Cap Index (R2000), 10% of the S&P400 Mid Cap Index, 5% of the Russell 1000 Growth Index (R1000G), 5% of the Russell 1000 Value Index (R1000V), 5% of the MSCI EAFE Index (EAFE), 15-**17**%* of the NCREIF Property **OEDC** Index, **8.5**-9.5%* of the Barclays Capital Government Credit Index (BCGC), **8.5**-9.5%* of the Barclays Capital Intermediate Government Credit Index (BCIGC), 5% of the FTSE Non-U.S. World Government Bond, 1% of the 90-Day T-Bill plus 5 % and 6% T-Bill.

***The Consultant will adjust the asset allocation to the Barclays Capital Government Credit, Barclays Capital Intermediate Government Credit, and NCREIF Property Index as the capital calls are made.**

Asset Class	Target	Range	Benchmark Index
Domestic Equity	46%	41%-51%	
Large Cap Core	17%	12%-22%	S&P 500
Large Cap Value	5%	0%-10%	Russell 1000 Value
Large Cap Growth	5%	0%-10%	Russell 1000 Growth
Mid Cap Core	9.5%	4%-15%	S&P 400
Small Cap Core	9.5%	4%-15%	Russell 2000
International Equity	5%	0%-10%	MSCI EAFE
Total Equity	51%	46%-56%	
Core Fixed Income	17%	12%-22%	50% BCGC/50% BCIGC
Non-US Fixed Income	5%	0%-10%	FTSE Non-US World Gov't. Bond
Total Fixed Income	22%	17%-27%	
Real Estate	17%	12%-22%	NCREIF OEDC
Alternatives	4%	0-9%	
Hedge Funds	1%	0%-5%	90-Day T-Bill +5%
Private Equity*	3%	0%-6%	Strategy Specific Index
Cash	6%	0%-10%	90-Day T-Bill

***Any unfunded Private Equity allocation will default back to Domestic Equity.**

B. Total Equity Portfolio

Beginning October 1, 2013, the performance of the total equity portfolio will be compared to the return of a portfolio comprised of 44% S&P500, 14.5% R2000, 14.5% S&P400, 9% R1000G, 9% R1000V & 9% EAFE.

Beginning August 1, 2019, the performance of the total equity portfolio will be compared to the return of a portfolio comprised of 36% S&P500, 18% R2000, 18% S&P400, 9% R1000G, 9% R1000V & 10% EAFE.

Beginning October 1, 2020, the performance of the total equity portfolio will be compared to the return of a portfolio comprised of 35% S&P500, 19% R2000, 19% S&P400, 9.5% R1000G, 9.5% R1000V & 8% EAFE.

C. Total Fixed Income Portfolio

Beginning January 1, 2018, the performance of the total fixed income portfolio will be compared to the return of a portfolio comprised of 42% BCGC, 42% BCIGC, and 16% of the Citigroup World Government Ex-US.

Beginning August 1, 2019, the performance of the total fixed income portfolio will be compared to the return of a portfolio comprised of 42% BCGC, 42% BCIGC, and 16% of the FTSE Non-U.S. World Government Bond.

Beginning July 1, 2020, the performance of the total fixed income portfolio will be compared to the return of a portfolio comprised of 41% BCGC, 41% BCIGC, and 18% of the FTSE Non-U.S. World Government Bond.

Beginning October 1, 2020, the performance of the total fixed income portfolio will be compared to the return of a portfolio comprised of 40% BCGC, 40% BCIGC, and 20% of the FTSE Non-U.S. World Government Bond.

Beginning **September 1, 2022**, the performance of the total fixed income portfolio will be compared to the return of a portfolio comprised of **39**% BCGC, **39**% BCIGC, and **22**% of the FTSE Non-U.S. World Government Bond.

D. For Inverness Counsel; RhumbLine Advisers; Wellington Management Company, LLP; Logan Capital Management, Inc.

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

Inverness, the S&P500 Index and in the top 40% of the PARis Large Cap Core Equity Universe. The evaluation period for Inverness will date from January 1, 2000.

RhumbLine, **within 0.20% of** the S&P Midcap 400 Index. The evaluation period for RhumbLine will date from July 1, 1997.

RhumbLine, **within 0.20% of** the MSCI EAFE Index. The evaluation period for RhumbLine, will date from January 1, 2016.

RhumbLine, **within 0.20% of** the Russell 1000 Value Index. The evaluation period for RhumbLine will date from January 1, 2017.

Wellington, the Russell 2000 Index and in the top 40% on the PARis Broad Small Cap Universe. The evaluation period for Wellington, will date from July 1, 1999.

Logan Capital, the Russell 1000 Growth Index and in the top 40% of the PARis Broad Large Cap Growth Universe. The evaluation period for Logan Capital will date from April 1, 2007.

E. For Fixed Income

Fixed Income Managers shall be compared to a universe comprised of 50% Broad Fixed Income and 50% Intermediate Fixed Income and in the top 40% of the PARis Fixed Income Universe. The evaluation period for Inverness Counsel will date from October 1, 1990. The evaluation period for Tocqueville Asset Management will date from October 1, 2020.

F. For Allspring Global Investments

Allspring Global Investments, the International Bond Manager, shall be compared to the FTSE Non-U.S. World Government Bond and in the top 40% of the PARis International Bond Index. The evaluation period will date from October 1, 2011.

G. For Real Estate

Real Estate Managers shall be compared to the NCREIF Real Estate Index and in the top 40% of the PARis Domestic Real Estate Universe. The evaluation period for the JPMCB Strategic Property Fund will date from October 1, 2007. The evaluation period for Intercontinental Real Estate will date from April 1, 2018. The evaluation period for the JPMCB Special Situation Fund will date from October 1, 2020.

H. For Hedge Funds

GCM Grosvenor, the fund of hedge funds manager, shall be compared to the 90-Day Treasury Bill plus 5% Index. The evaluation period will date from October 1, 2020.

I. For Private Equity

The Private Equity portfolios will be compared to a universe of managers with a similar vintage year and investment strategy.

III. AUTHORIZED INVESTMENTS

A. For All Equity Investment Managers

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 provided the amount deposited does not exceed the insured amount.

2. Money Market obligations issued by the U.S. Government, or in obligations guaranteed as to principal and interest by the United States Government or in obligations guaranteed as to principal and interest by the United States Government agency. All money market issues must rank as either Standard & Poor's A1, or Moody's P1.

3. Domestic and International Equities: equities defined as common stocks and issues convertible to equities, provided:

    a. Each holding shall be listed on a major U.S. exchange (excluding Wellington who may hold Private Placements)

    b. Not more than five percent (5%) of the Fund's assets shall be invested in the common stock or capital stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed five percent (5%) of the outstanding capital stock of the company.

c. Not more than twenty-five percent (25%) of any manager's Total Fund portfolio, at market value, shall be invested in foreign securities. The manager must immediately notify the Board and the Consultant when the international exposure reaches ten percent (10%). An explanation will be needed as to why the manager is changing their discipline. As an international manager, Rhumbline shall not have any limitation on the amount invested in foreign securities.

4. The use of unhedged and/or leveraged derivatives will not be allowed in any form (excluding Wellington who may have up to fifteen percent (15%), maximum, in their Total Fund portfolio (1% of the Miami Beach Fire & Police Total Fund portfolio).

B. For Inverness' and Tocqueville's Fixed Income Portfolio

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 provided the amount deposited does not exceed the insured amount.

2. Obligations issued by the U.S. government or an agency or instrumentality of the U.S. government, including mortgage-related securities, or foreign bonds or other evidence of indebtedness denominated in United States Dollars. The U.S. government securities which may be purchased include direct obligations issued by the United States Treasury, such as Treasury bills, certificates on indebtedness, notes and bonds as well as instruments issued or guaranteed by agencies or instrumentalities of the United States government, including mortgage-related securities. Mortgage-related securities or asset-backed securities not issued by the U.S. government or an agency or instrumentality thereof may also be purchased.

3. Fixed income investments defined as preferred issues and fixed income securities provided:

   a. Subject to the following sentence, all corporate debt issues shall be rated in the highest three (3) categories of quality by any of the following listed services: Moody's, Standard and Poors or Fitch's Manual. Anything herein to the contrary notwithstanding, a maximum of 25% of the Inverness bond portfolio may be rated in the fourth (4) highest category.

   Any issue which is downgraded below the fourth (4) highest category by two (2) of the three (3) above mentioned ratings services must either be sold or specifically approved for retention by the Board.

4. Money market funds, defined as fixed income securities having a maturity of less than one year; provided:

   a. All issues shall meet or exceed Standard & Poor's A1, or Moody's P1 credit rating.

5. Bonds issued by the State of Israel.

6. Commingled stock, bond or money market funds whose investments are restricted to securities meeting the above criteria.

7. The use of unhedged and/or leveraged derivatives will not be allowed in any form.

C. Limitations

1. Inverness Counsel's investment in corporate common stock, convertible bonds and convertible preferred issues shall not exceed thirty-seven percent (37%) of their total fund assets at market value.

   Beginning October 1, 2013 Inverness Counsel's investment in corporate common stock, convertible bonds and convertible preferred issues shall not exceed forty-six percent (46%) of their total fund assets at market value.

   Beginning January 1, 2018, Inverness Counsel's investment in corporate common stock, convertible bonds and convertible preferred issues shall not exceed forty-nine percent (49%) of their total fund assets at market value.

   Beginning August 1, 2019, Inverness Counsel's investment in corporate common stock, convertible bonds and convertible preferred issues shall not exceed forty-five percent (45%) of their total fund assets at market value.

   Beginning July 1, 2020, Inverness Counsel's investment in convertible bonds and convertible preferred issues shall not exceed twenty-five percent (25%) of their Equity assets at market value.

2. No limitations are placed on percentage commitments to fixed income or money market investments.

3. Not more than twenty-five percent (25%) of the Fund's total assets, at market value, shall be invested in foreign securities.

4. In accordance with the Protecting Florida's Investment Act (Fla. Stat. 215.473), the Board is prohibited from directly investing in any companies, identified by the State Board of Administration (SBA) on its website each quarter, as a scrutinized company. The investment Consultant and each investment manager shall review its investments each quarter to determine whether it is required to sell, redeem, divest or withdraw any publicly traded security of a company identified by the SBA as a scrutinized company and shall notify the Board each quarter, in writing, of the results of its review. Beginning no later than January 1, 2010, the Board shall sell, redeem, divest or withdraw all publicly traded securities it holds in any scrutinized company by no later than September 30, 2010 for Chapter 185 plans and by no later than September 10, 2010 for Chapter 175 plans.

IV. COMMUNICATIONS

A. It shall be incumbent upon the investment managers and the custodian to apprise the Trustees of all transactions. On a monthly basis each manager shall supply an accounting statement which will include a summary of all receipts and disbursements, the cost and the market value of all assets and the percentage of the fund invested in equities, fixed income and money market at cost. On a quarterly basis each manager shall provide an analysis of the quality of the assets, including the quality rating of each security held, a summary of common stock diversification and attendant schedules. In addition, each manager shall deliver each quarter a report detailing the fund's performance, adherence to the investment policy, forecast of the market and economy, portfolio analysis and current assets of the Trust. Written reports shall be provided to the Trustees at the quarterly meetings. Each manager will provide immediate written and telephone notice to the Trustees and the performance monitor of any significant market related or non-market related event. The Trustees have retained a monitoring service to evaluate and report on a quarterly basis the rate of return and relative performance of the fund.

B. Meetings: The Trustees will meet quarterly with the monitoring service's representative to review the performance report. At least annually, the Trustees will meet with each investment manager and appropriate outside consultants to discuss performance results, economic outlook, investment strategy and tactics and other pertinent matters affecting the Fund.

C. The Managers will immediately disclose any securities owned in the past or presently held securities which are not in compliance with Section III.

D. The Manager's quarterly report will list separately any security whose value has diminished twenty-five percent (25%) or more from the purchase price.

E. The Managers shall report to the Trustees on an annual basis how each proxy was voted, the issue as to each, and the date the proxy was voted. If a proxy was not voted, the Manager shall provide a written statement indicating the reason that particular proxy was not voted.

F. The Trustees may wish to recapture as many of their commission dollars as possible consistent with obtaining the "best execution" as defined in ERISA Technical Release 96-1 which is made part of this agreement by reference.

G. When there is any change in ownership of the investment management firm, the new firm will provide the Trustees with an audited balance sheet and will keep the Trustees fully informed of all material events. This is to include, but not be limited to, deterioration of the financial health of the firm.

V. CRITERIA FOR INVESTMENT MANAGER REVIEW

The Board wishes to adopt standards by which judgments on the ongoing performance of a portfolio manager may be made. In this regard, the following will be closely monitored:

1. Four consecutive quarters of total fund performance below the fiftieth (50th) percentile in manager rankings.

2. Loss by the Manager of any senior investment personnel.

3. Any change in basic investment philosophy by the Manager.

4. Failure to attain a 60% vote of confidence by the Board members.

The above criteria shall in no way limit or diminish the Trustee's right to terminate a Manager at any time for any reason.

VI. FLORIDA STATUES AND APPLICABLE CITY ORDINANCES OF MIAMI BEACH ORDINANCES

If at any time this document is found to be in conflict with Florida Statutes, or the applicable City of Miami Beach Ordinances, the Statute and Ordinances shall prevail.

VII. REVIEW AND AMENDMENTS

It is intended that 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.

STATEMENT OF INVESTMENT POLICY FOR CITY PENSION FUND FOR FIREFIGHTERS AND POLICE OFFICERS IN THE CITY OF MIAMI BEACH DROP ACCOUNTS

The Retirement Board (the "Board") of City Pension Fund for Firefighters and Police Officers in the City of Miami Beach, as Named Fiduciary and Plan Administrator hereby adopts the following Statement of Investment Policy for its DROP Plan (the "Plan")

I. Statement of Funding Policy and Method

The principal purpose of the DROP Plan is to provide certain benefits upon actual retirement and thereafter. Thus, the principal goal of the investment of the funds in the Plan should be both security and long-term stability with moderate growth expectations. The Plan will be funded with deposits and reinvestment of income in an IRS-qualified retirement plan and trust exempt from income tax under IRC Section 501(a).

II. Purpose

The Board of Trustees being the Plan Fiduciaries are charged with the overall responsibility under the law to manage the Plan's assets prudently on behalf of the participants pursuant to certain standards of conduct. The general purpose of this Investment Policy Statement is to assist the Board in discharging their responsibility to supervise, monitor and evaluate the investment of DROP Plan assets and to set forth the investment standards expected.

Therefore, this Statement is compiled so that the Board defines a formal set of investment objectives, guidelines and procedures for the management of the DROP Plan assets. It shall be subject to the terms of the Plan documents and any Plan Service Agreement entered into by the Board and other Fiduciaries. Any DROP Plan Investment Consultant may rely upon the Statement for guidance in order to make recommendations to the Board regarding the selection and monitoring of investments in the DROP Plan. Effective communications between the Board, consultants and money management firms is encouraged.

III. Objectives

The primary investment objective of the DROP Plan is to offer the participants a range of investment choices to permit diversification among different asset classes and the opportunity for the growth of their accounts. The objectives are further defined as follows:

A. To provide sufficient investment choices so that DROP participants will be able to choose the investment mix that may fall within a full range of risk and return characteristics they deem appropriate for themselves.

B. To provide sufficient investment choices so that the asset classes selected shall be such that, taken together, participants will have a reasonable opportunity to materially affect the potential investment returns in their accounts, while at the same time controlling risk or volatility.

C. To provide sufficient investment choices so that participants will have adequate opportunity to diversify so as to reduce the risk of loss.

IV. Guidelines

A. Investment alternatives for the participants shall be determined solely in the interest of the participants and their beneficiaries and for the exclusive purpose of providing benefits to the participants and their beneficiaries.

B. Investment alternatives for the participants shall be determined with the care, skill, prudence and diligence under the 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 like character and aims.

C. The Board will engage the services of investment professionals (Consultants). The Consultants are expected to exhibit a general understanding of the Fiduciary aspects of relevant statutes, regulations, case law and investment theory and practice. The Consultants will provide a review of the investment performance as it relates to the criteria in this document not less frequently than annually, and otherwise perform in accordance with the terms of any servicing agreement. The Consultants are responsible for frequent and open communication with the Board with respect to all significant matters pertaining to this Statement and the management of the Plan's assets. Any change to this Investment Policy Statement or the plan provisions will be communicated in writing on a timely basis to all interested parties.

D. The responsibility of the Board and its fiduciaries ends with the selection and monitoring of DROP investment performance. Individual investment decisions and asset allocations made by DROP participants are solely within the discretion of the member and are not the responsibility of the Board. DROP participants are urged to consult with their accountant and/or an investment professional in selecting self-directed investments which are consistent with the financial needs of the member. DROP participants are also urged to monitor investment performance as they would for their personal portfolios.

V. DROP Participant Direction

A. All current DROP Participants shall be given the following investment vehicle:

1. A variable investment return based upon the actual performance of various investment funds in which they choose to invest, net of investment and administrative expenses.

B. DROP Participants shall be given control over the investment allocation process. This shall include the right to change investment allocations of existing account balances and future contributions at least once every three months. Participants shall also be given any and all information that the Board deems necessary for participants to understand the investment funds and to make informed investment decisions. Participants shall have the right to direct the investment of certain funds contributed to the Plan as specified in the Plan documents among the investment fund alternatives chosen by the Board.

VI. Asset Classes

A. Broad Asset Classes shall be selected by the Board. Individual investment alternatives shall be selected by the Board which represent the respective Asset Classes.

B. Asset Classes shall be selected based upon general non-correlation of returns, fundamentally dissimilar underlying instruments, and generally accepted investment standards. Consideration shall also be given to the number of separate investment alternatives deemed prudent by the Board. Asset Classes considered may include:

Large Company Stock
Mid-Size Company Stock
Small Company Stock
Foreign Stock / Bonds
Emerging Markets
Natural Resources (Stocks and Bonds)
Balanced Funds
Fixed Income
Real Estate
Stable Value (GIC)
Money Market

C. As a result of review and analysis, and in consideration of the criteria outlined in this policy, the Board has selected the Asset Classes outlined in Appendix A, as attached hereto. It is understood that this list is dynamic and subject to change by amendment of this Policy.

VII. Implementation Procedure

A. The Board shall use business judgment in selecting investment products such as open-ended mutual funds, insurance investment products, common or collective trust funds, and money manager separate accounts. Passive and active management strategies will be considered. The Board may select, for member-directed investments, a commingled fund, e.g. a group, collective or common trust maintained by a corporate trustee, regardless of whether such trustee is the Plan's trustee, investment manager, or otherwise a party-in-interest of the Plan and that the Board adopts and incorporate the governing provisions of such fund herein.

B. The following characteristics (when applicable) and others shall be considered in selecting the investment alternatives to be made available to participants:

1. Investment Asset Class and Objective
2. Investment Style Category
3. The Manager(s) and Tenure
4. Acquisition Costs and Ongoing Management Fees including Turnover
5. Investment Record - Total Returns (Net of Expenses) on a Time-weighted basis over 1-, 3-, and 5-year periods
6. Risk Characteristics - Standard Deviation, Beta Calculations and Morningstar downside risk measures
7. Risk-Adjusted Return Measurements - Sharpe Ratio, Alpha Returns and Morningstar Category Ratings
8. Financial Characteristics

a. *Equities*
Price/Earnings Ratios
Price/Book Ratios
Median Market Capitalization
Number of Securities Held
Concentration
Assets Under Management
Sector Weightings
Earnings Growth
Composition of Fund
Country/Region Weightings

b. *Debt Instruments*
Duration
Average Effective Maturity
Credit Quality
Average Weighted Coupon
Composition of Fund
Yield Measures
Assets Under Management

C. Miscellaneous Criteria - In selecting the specific investments to be made available to participants, the Board may consider the following additional criteria:

1. Nature and frequency of investment reports
2. Availability and access to administrator
3. Corresponding costs and expenses associated with plan recordkeeping
4. Quantitative and qualitative due diligence regarding the money managers
5. Name Recognition

VIII. Criteria for Selection/Retention of Investment Alternatives

A. Each investment alternative shall be measured against Benchmark Returns. The Benchmark Returns for each investment alternative shall be the lesser of the returns of an appropriately selected and publicly available Index and the average (or median) net returns of an appropriately selected peer group(s) universe(s) of similarly managed funds. The appropriate selection of Indexes and Funds shall be made on the advice of the Investment Consultant and shall have financial characteristics appropriate to the particular intended style of the respective investment alternatives being measured.

B. The performance of each investment may be measured against additional standards and benchmarks established by the Board from time to time as criteria for continued retention of each investment. The following information may be considered in determining if an investment option should be replaced.

1. Various portfolio statistics including average market capitalization and price-to-book/price-to-earnings ratios for equities and average credit quality and average maturity/duration for debt instruments that demonstrate a departure from the initial or stated investment style (discipline).
2. Termination of the manager, material change in the management team or change in ownership.
3. Increase in direct and indirect expenses.
4. A trend of increasing volatility expressed by standard deviation or downside volatility.
5. A net return lower than the Benchmark in any four consecutive calendar quarters.
6. An average net return lower than the Benchmark for the three year period ending on a calendar quarter.
7. Sharpe Ratios and/or Morningstar Category Ratings lower than the Benchmark for the three year period ending on a calendar quarter.

8. Marked increase in assets under management.
9. Any other information that may lead the Board to believe the fund is not fulfilling the intent and purpose of this Policy.

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

C. Qualitative due diligence of each fund may (but need not) be conducted through annual written or oral interviews with appropriate parties at each investment manager. Any issue materially affecting the management staff and investment process associated with each fund will be considered, including:

1. Changes to the management team or the firm's ownership.
2. Modifications to the fund's investment policy, philosophy and decision process.
3. Deviation of investment style, regulatory action, and investigation or litigation by a government agency.

Appendix A

Selection of Funds
to Fulfill the Statement of Investment Policy
for
City Pension Fund for Firefighters and Police Officers
in the City of Miami Beach
Employee-Directed - DROP Accounts

Pursuant to our Statement of Investment Policy the Board as the Plan Fiduciary(ies) has selected the following investment alternatives representing the stated asset classes:

VOYA

Asset Class	Fund	Description
Equity	MFS Research A (MFRFX)	Large – Cap Core
Equity	Voya T. Rowe Price Growth Equity Portfolio-Initial Class (ITGIX)	Large – Cap Growth
Equity	American Funds American Mutual (RMFEX)	Large – Cap Value
Equity	MFS Mid Cap Value Fund – Class R6 (MVCKX)	Mid – Cap Blend
Equity	Wanger US Smaller Companies Funds (WUSAX)	Small – Cap Growth
Equity	Voya American Century Small-Mid Cap Value Fund Institutional (IASSX)	Small – Cap Value
Equity	Victory Integrity Small Cap (VSVIX)	Small Cap Core
International Equity	DFA International Core Equity – Institutional Class (DFIEX)	Foreign Stocks
International Equity	Blackrock iShares MSCI EAFE International Equity Index K (BTMKX)	Foreign Stocks
Emerging Markets	Voya J.P. Morgan Emerging Markets (IJPIX)	Emerging Markets
World Equity	American Funds New Perspective Global Equity (RNPEX)	World Equity
Balanced	Voya T. Rowe Price Capital Appreciation Portfolio (ITCSX)	Domestic Stocks and Bonds
Natural Resources – Balanced	BNY Mellon Natural Resources A (DNLAX)	Domestic and Foreign Stock and Bonds
Bonds	Fidelity VIP Inv. Grade Bond Portfolio-Initial Class (FBNDX)	Intermediate Term Bonds
Bonds	PIMCO VIT Real Return Administrative Class (PARRX)	Inflation Protected Bonds

Bonds	PGIM High Yield (PHYZX)	High Yield Bonds
International Bonds	Invesco Oppenheimer International Bond (OIBYX)	Foreign Bonds
Real Estate	Voya Clarion Real Estate (IVRSX)	Real Estate
Stable Value	Voya Fixed Account-457/401	Guaranteed Investment Account
Short Term Fixed Income	Voya Government Money Market Portfolio	Money Market Fund

NATIONWIDE RETIREMENT SOLUTIONS

Asset Class	Fund	Description
Balanced Funds (Stocks and Bonds)	Nationwide Investor Destinations-Conservative (NDCSX)	15%-30% Stocks
Balanced Funds (Stocks and Bonds)	Nationwide Investor Destinations-Moderately Conservative (NSDCX)	30%-50% Stocks
Balanced Funds (Stocks and Bonds)	Nationwide Investor Destinations-Moderate (NSDMX)	50%-70% Stocks
Balanced Funds (Stocks and Bonds)	Nationwide Investor Destinations-Moderately Aggressive (NDMSX)	70%-85% Stocks
Balanced Funds (Stocks and Bonds)	Nationwide Investor Destinations-Aggressive (NDASX)	85%-100% Stocks
Equity	Nationwide S&P 500 Index (GRISX)	Large Cap Core
Equity	Fidelity Contrafund (FCNTX)	Large Cap Growth
Equity*	Invesco Growth & Income (ACGIX)	Large Cap Value
Equity	Nationwide Mid Cap Index (GMXAX)	Mid Cap Core
Equity	Wells Fargo Discovery Mid Cap Growth (WFDDX)	Mid Cap Growth
Equity	Nationwide Small Company Growth (NWSIX)	Small Cap Growth
Equity	Nationwide **American Century** Small Cap **Income** (NWUSX)	Small Cap Value
Equity	NVIT Multi Manager Small Company	Small Cap Core
International Equity	Invesco International Growth (AIEVX)	Foreign Stocks

International Equity	MFS International Value (MINGX)	Foreign Stocks
World Equity	Invesco Oppenheimer Global Equity (OPPAX)	World Stocks
Emerging Markets	American Funds New World Fund (RNWEX)	Emerging Markets Stock
Bonds	Federated Short Term Bonds (FIGTX)	Short Term Bonds
Bonds	PIMCO Total Return (PTTAX)	Intermediate Term Bonds
Bonds	Lord Abbett High Yield Fund Class R5 (LHYTX)	High Yield Bonds
International Bonds	PIMCO World Bonds (PFOAX)	Foreign Bonds
Real Estate	Cohen & Steers Real Estate (CSEIX)	Real Estate
Stable Value	Nationwide Fixed Account (3.5%)	Guaranteed Investment Account
Money Market	Nationwide Government Money Market Portfolio (MIFXX)	Money Market Fund