

**CITY OF TAMPA FLORIDA  
GENERAL EMPLOYEES' RETIREMENT FUND  
STATEMENT  
OF  
INVESTMENT POLICY**

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## **I. PURPOSE**

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The purpose of this document is to define the investment policy for the City of Tampa General Employees' Retirement Fund ("the Plan"). It will identify a set of investment objectives, guidelines and performance standards for the assets of the Plan. The objectives are formulated in response to the following:

- the anticipated financial needs of the Plan;
- consideration of risk tolerance; and
- the need to document and communicate objectives, guidelines and standards to investment managers.

This Statement of Investment Policy represents the formal document for the investment of the Plan's assets and is to be communicated to the investment managers for their use in developing an appropriate investment portfolio. This document will also be used as the basis for future measurement and evaluation of investment performance by the Board of Trustees ("the Board") and their investment advisors.

The Board may grant exceptions to this Statement of Investment Policy for individual investment managers. Any such exceptions shall be in writing, signed by an authorized representative of the Board.

This document will be reviewed at least annually to ensure that it is consistent with the needs of the Plan.

## II. RESPONSIBILITIES

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The primary investment responsibilities of the Board are:

- as a primary objective, to provide a secure source of retirement income for the Plan participants;
- as a secondary objective, to achieve an optimum level of return within specified risk tolerances;
- to do so effectively and prudently, in full compliance with any applicable laws and regulations as presently stated or as they may be amended in the future.

The financial objectives are as follows:

- to continuously improve the Plan's liability funding ratio over time;
- to maintain full funding of the Pension Benefit Obligation;
- to minimize the City of Tampa's contribution rate.

While there cannot be complete assurance that these objectives will be realized, it is believed that the likelihood of their realization is reasonably high based on this Policy.

Specific oversight responsibilities of the Board in the investment process, to be performed with the advice and assistance of appropriate consultants, professional advisors, and staff, include:

- complying with applicable laws, regulations and rulings appropriate thereto;
- developing a sound and consistent investment policy including asset allocation, diversification and quality guidelines;
- communicating clearly the major duties and responsibilities of those accountable for achieving investment results and to whom specific responsibilities have been delegated;
- selecting and maintaining qualified investment managers and consultants;
- monitoring and evaluating results to ensure that policy guidelines are being adhered to and that policy objectives are being met;
- taking action under appropriate circumstances to discharge an investment manager or advisor for failing to perform in terms of stated expectations or to abide by this Statement of Investment Policy; and
- undertaking such work and studies as may be necessary to keep the Trustees adequately informed as to the status of the Plan assets.

### **Delegation of Responsibilities**

The Board is authorized to delegate certain responsibilities to qualified agents to assist them in properly meeting the overall Board responsibilities as outlined above. Specifically, the Board has appointed an Investment Committee, a custodian, investment managers, an investment consultant, legal counsel and an actuary to perform various functions.

### **Investment Committee**

With respect to management of the investments of the Plan, the non-fiduciary oversight responsibility of the Board has been delegated to the Investment Committee. The Board retains the fiduciary responsibilities associated with these functions. Accordingly, the Investment Committee does not have final discretion to approve relevant items. The Investment Committee is expected to make recommendations for the Board's approval. Following final approval, the Investment Committee may be given the

authority to implement all matters relevant to the Board's decision. The Investment Committee is comprised of Board of Trustee members appointed by the Board. The responsibilities of the Investment Committee encompass the following (subject to the final approval by the Board, where applicable):

- make recommendations as to the selection of qualified investment managers which fulfill the criteria of the identified asset class;
- monitor investment results of each investment manager in the Plan by means of regular review and analyses to determine whether those responsible for investment results are meeting the guidelines and criteria identified in this Policy;
- recommend appropriate action to the Board if objectives are not being met or if policies and guidelines are not being followed;
- review this Policy and recommend modifications to it, as needed.

If for any reason the Investment Committee ceases to exist, the non-fiduciary oversight responsibility will default to the Board.

### **Custodian**

The City of Tampa shall contract on behalf of the Board with a third party custodian which shall have a level of experience and expertise in providing custodial services to plans and funds similar to those of the Plan. The Custodian shall act as a fiduciary in the administration of the Plan's accounts utilizing appropriate internal controls to insure the safety of the Plan's assets from such things as fraud, collusion, loss, diversion, etc. The custodian has been delegated the following responsibilities:

- handle all income, cash transactions, clipping of coupons, interest received, and other necessary activities;
- hold all securities on behalf of the Plan and only deliver securities upon proper instruction from those authorized to provide such instruction or direction;
- perform, participate in and exercise such rights, privileges, duties and responsibilities possessed by any other owner or holder of bonds or other evidence of indebtedness and common and preferred stock, except for the voting of proxies, which shall be delegated to investment managers;
- safekeep all assets including securities, cash and cash equivalents;
- receive instructions from investment managers to purchase and sell various securities and ensure that transactions are settled according to established settlement procedures;
- provide monthly transaction accounting on security holdings with reports provided to the Investment Committee in a timely manner;
- forward proxy materials to investment managers promptly after receiving them.

Delivery vs. Payment (DVP) for the transfer of securities into and out of the Plan's accounts will be used. Transfers of cash and securities other than through DVP will occur upon the direct authorization from the Board and the City of Tampa's Director of Finance or his representative.

### **Investment Managers**

The designated investment managers are charged with the following responsibilities:

- maintain registration as an investment advisor under the Investment Advisor Act of 1940;
- adhere to the policy guidelines contained in this Statement of Investment Policy, unless granted

an exception in writing;

- invest only in those asset classes, and adhere to the ranges for allocation among those classes, that the Board has stated to be appropriate for that manager's portfolio;
- exercise complete investment discretion within the boundaries of the restrictions outlined in this Statement of Investment Policy or in any written exceptions to this Statement;
- strictly comply with all of the provisions of appropriate law as they pertain to the firm's dealings, functions and responsibilities as fiduciaries;
- prudently liquidate assets in the portfolio which cease to be in compliance with this Statement of Investment Policy or any written exceptions to this Statement. If in the manager's judgment, it is in the Plan's best interest to not liquidate such an asset promptly, the manager will advise the Investment Committee of the circumstances and make a recommendation regarding the liquidation of that asset.
- diversify the portfolio so as to minimize the risk of large losses unless, under the circumstances, it is clearly prudent to not so diversify;
- ensure that brokers will be selected only on a competitive, best execution basis;
- invest the assets of the Plan with 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 such aims;
- vote the proxies for securities held in the accounts over which they have accepted responsibility, at all times in such a manner as they deem to be solely in the best interest of plan participants and beneficiaries and avoid consideration of any factors that would subordinate the interests of participants and beneficiaries in their retirement income to any unrelated objectives; and,
- acknowledge in writing the recognition and acceptance of full responsibility as a fiduciary as defined by ERISA and appropriate federal and state legislation, and the firm's intention to comply with this Statement of Investment Policy as it currently exists or as is modified by joint agreement in the future.

### **Investment Consultant**

It shall be the responsibility of the designated investment consultant to assist the Investment Committee and Board with the following functions:

- provide comprehensive evaluation of the investment results achieved by the designated investment managers in light of the investment guidelines and performance standards contained in this Statement of Investment Policy;
- make recommendations to the Investment Committee of appropriate actions to be considered which, in the consultant's opinion, will enhance the probability of achieving overall Plan objectives. Such recommendations may include, but are not limited to
  - use of alternate asset strategies or asset classes;
  - changes in overall investment policy;
  - changes in designated investment managers;
- provide assistance to the Investment Committee in screening and selecting investment managers, as appropriate;
- meet with the Investment Committee and Board on a quarterly basis at a minimum.

**Legal Counsel**

The Board's designated legal counsel will advise and represent the Board in all matters requiring legal insight and advice.

**Fund Actuary**

The Board's designated plan actuary shall have the following responsibilities:

- prepare, on a frequency determined by the Board, a comprehensive evaluation of the Plan's funded status and required contribution levels and attest to the appropriateness of the Plan's assumptions and funding policy; and,
- conduct special experience and actuarial studies as required by the Board.

### III. INVESTMENT OBJECTIVE

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Investments of the Plan will be made for the sole interest and exclusive purpose of providing benefits to plan participants. The assets of the Plan shall be invested in a manner consistent with all relevant legislation and in a manner consistent with the fiduciary standards of ERISA, specifically:

- The safeguards and diversity to which a prudent investor would adhere;
- The undertaking of policy decisions in the sole interest of the Plan's participants and for defraying the reasonable expenses of administering the Plan.

The investment managers' primary objective is to provide growth of principal of the Plan's assets. This objective should be pursued as a long-term goal designed to maximize the benefits available to plan participants without exposure to undue risk as defined herein.

The Board has adopted a long-term investment horizon such that the chances and duration of investment losses are carefully weighed against the long-term potential for the appreciation of assets. The Board has arrived at this Policy through careful study of the returns and risks associated with alternative investment strategies in relation to the current and projected liabilities of the Plan.

The Plan's actuary has the responsibility to prepare periodic evaluations of the Plan's funded status and to determine the contributions which, expressed as percents of payroll, will remain approximately level over time and be sufficient to pay benefits when due while providing a reasonable margin for adverse experience. All major liability assumptions regarding number of participants, compensation, benefits levels, and actuarial assumptions will be subject to an annual review by the Board. This review will focus on an analysis of major differences between the Plan's assumptions and actual experience.

The Plan's investment objectives are as follows:

- prudently meet or exceed the assumed real rate of return over time, while preserving the Plan's principal.
- achieve a long-term investment result that is at least 5% above inflation, as measured by the Consumer Price Index.
- perform in the top 40% of a universe of similarly sized public funds.

#### IV. ASSET STRUCTURE

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The asset structure should reflect a proper balance of the Plan's needs for liquidity, growth of assets and the risk tolerance of the Board.

<u>Security Class</u>	<u>Strategic Target</u>	<u>Tactical Range</u>
U.S. Large Cap Stocks	21%	15.0 – 30.0%
U.S. Small Cap Stocks	11%	5.0 – 15.0%
Non-U.S. Developed Stocks	17%	10.0 – 25.0%
Non-U.S. Emerging Markets Stocks	6%	0-10.0%
Private Equity	10.0%	0.0 – 15.0%
<b>Total Equities</b>	<b>65%</b>	<b>55.0 – 75%</b>
Core Bonds	7%	5 – 15%
Multi-Sector	6.5%	0 – 12.5%
Liquid Absolute Return	6.5%	0 – 12.5%
<b>Total Fixed Income &amp; Cash</b>	<b>20%</b>	<b>15.0 – 30.0%</b>
U.S. Private Real Estate (Core/Core Plus)	10.0%	5.0 – 15.0%
Non-Core Real Estate (Value Add/Oppportunistic)	5.0%	0 – 10.0%
<b>Total Real Estate</b>	<b>15.0%</b>	<b>5.0% – 20.0%</b>

This asset structure represents the Board's assessment of the optimal asset allocation based upon the Plan's long term needs and structure, the Board's risk tolerance, and the expected long term return. It should not be regarded as a rigid set of rules regarding asset allocation. The Board will review the structure periodically and make adjustments as may be appropriate in light of changing market conditions.

The strategic allocation provides a reasonable expectation that the Plan's investment objective can be achieved based on historic relationships of asset class performance. Liquidity is required only to meet defined payout needs, unless the investment managers are otherwise advised by the Board.

The Investment Committee is charged with the responsibility of monitoring the overall allocation within the parameters described above. They will do so by giving specific instructions as to the range of allowable asset classifications to individual investment managers, as well as by monitoring the asset classifications actually held by managers. It is understood that the tactical ranges are targets and that deviations may occur from time to time as a result of market impact or from short-term decisions implemented by either the Board or, with prior approval, by the investment managers. However, in the absence of a compelling reason to do otherwise, the portfolio will be rebalanced should the allocations to the major asset classes (domestic equity, international equity total fixed income, total real estate) fall outside the stated tactical

ranges.

## **V. INVESTMENT MANAGER GUIDELINES**

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### **Objectives and Guidelines for All Investment Managers**

#### **Investment Objective**

Specific investment objectives are outlined in the asset class section of this policy for each Investment Manager. Each Investment Manager has been retained to manage a specific asset class and each asset class plays a crucial role in the overall effectiveness of the Plan's investment process. Therefore, it is imperative that each Investment Manager restricts their investment activities to their assigned asset class. Asset allocation decisions are made for the Plan at a macro level and all Investment Managers are expected to remain fully invested in their assigned asset class at all times.

All investment strategies of the Plan must be implemented in a manner consistent with the investment objectives, guidelines, and constraints outlined in this policy and in accordance with applicable state and federal laws, including s.112.661 Florida Statutes and Chapter 23559 of the Special Act of 1945, as amended, and subject to the provisions in 215.47 Florida Statutes. In making each and all of such investments, the board of trustees shall exercise the judgement and care under the circumstances then prevailing that men or women of ordinary prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income therefrom as well as probable safety of their capital.

#### **Liquidity**

Liquidity should not be an operational concern in the management of accounts. The Investment Committee may have need from time to time to draw on a portion of any Investment Manager's assets to meet the cash needs of the Plan. When such situations arise, the Investment Manager will be notified, prior to the withdrawal of funds from their account, of the amount and timing of the withdrawal.

#### **General Account Diversification**

All investment accounts managed for the Plan must maintain sufficient diversification among security issuers and market sectors such that the performance of one security or sector will not have an excessive impact on the entire account. Specific guidelines applicable to each asset class are described in the sections of this Investment Policy Statement for each asset class.

#### **Performance Guidelines**

The performance of each account will be reviewed quarterly. Each asset class will be assigned specific target benchmarks and/or peer group universes against which the performance of the portfolio will be measured. The following are the general performance objectives that each portfolio should meet:

- **Outperformance of Assigned Benchmark:**  
Investment Managers in each asset class will be assigned a specific benchmark against which the performance of their portfolio will be measured. Performance will be compared to the assigned benchmark over rolling three year periods. The Investment Manager's portfolio is expected to outperform the benchmark over rolling three year periods on an ongoing basis.
- **Peer Group Universe Comparison:**  
Investment Managers will be informed of the peer group universe against which their performance will be compared. Investment Managers are expected to place above the median of their assigned peer group over rolling three year periods.

### **Asset Restrictions/Exclusions**

The Board requires that all Investment Managers of separately managed accounts comply with the following limitations and restrictions on their investment activities and holdings:

#### Restrictions:

- Unless granted permission by the Board in writing, Investment Managers shall not engage in short sales or margin purchases and all accounts shall be free of leverage.
- Restricted securities are prohibited with the following exception:
  - Securities acquired under rule 144A of the Securities Act of 1933 may be purchased with the stipulation that these securities shall not exceed 15% of the Investment Manager's account valued at market prices.
- Letter stock and other unregistered securities;
- Commodities or commodity contracts
- Direct investments in natural resource properties such as oil, gas, or timber, Derivative securities are prohibited except where specifically permitted in each asset class. Specific asset classes may be permitted to make use of derivatives consistent with the overall investment guidelines and objectives of that asset class. Where derivative securities are permitted, they may not be used to establish a leveraged account. The Board is responsible for any required compliance with Rule 4.5 under the Commodity Exchange Act on behalf of the account.
- Investments in commercial paper or other similar securities intended as cash equivalents shall be made only if such paper is rated at least A1/P1 and has a maturity of less than one year or a commingled money market fund offered by the custodian bank is used which meets these standards.
- Investment Managers may utilize exchange traded funds (ETF's) representing their primary assigned benchmark. The ETF allocation will be considered as part of cash and is subject to cash allocation limitations specified in the asset class guidelines.

### **Commingled Funds**

Commingled fund assets are exempt from investment manager guidelines in this Statement of Investment Policy, but are expected to be managed within the guidelines set forth for each fund. However, commingled fund managers are required to comply with the appropriate performance standards and reporting requirements contained in this document.

### **Trade Execution**

Investment Managers shall effect all purchases and sales of securities for the account(s) in a manner consistent with the principals of best execution, taking into account net price (including commissions), execution capability and other services which the broker or dealer may provide. In this regard, the Investment Manager may effect transactions which cause the account to pay a commission or price in excess of a commission or price which another broker or dealer would have charged, provided, however, that the Investment Manager shall have first determined that such commission or cost is reasonable in relation to the value of the brokerage, research, performance measurement service and other services performed by that broker for the account(s).

### **Directed Brokerage**

It is the policy of the Board to capture brokerage credits whenever feasible to pay for certain services provided to the Plan. The Board has instituted this policy with the intention that directed brokerage services be secondary to achieving best execution and cost for each trade. It is not the Board's intent to inhibit the ability of the Investment Manager to purchase services required to operate effectively as the Trust's Investment Manager.

The Investment Manager is requested to use the services of the Plan's directed broker(s), which will be listed and described to each manager through a separate document, for trades over and above the Investment Manager's own requirements with a target minimum of 25% of total commissions of applicable trades, subject to the following qualifications:

- this directed brokerage requirement is applicable only to security trades in which the directed broker provides services;
- the Investment Manager is expected to seek best execution for all trades. Trades should not be directed to the Plan's directed broker(s) if such direction will result in a disadvantage for the Plan;
- the Investment Manager should not make any trades through the directed broker(s) which would not be made in the absence of a directed brokerage arrangement.

### **Proxy Voting**

All proxies shall be voted at the Investment Managers' discretion in the best interests of the participants of the Plan's constituent Plans.

### **Reporting**

- Each Investment Manager is required to submit a written report to the Committee of any personnel changes that might impact the management of the Plan's assets. This report should be submitted as soon as the change is known or could be expected.
- Each Investment Manager is directed to perform monthly reconciliations of their account holdings and values with the Plan's custodian. The Investment Manager is directed to provide a written report to the Investment Committee of any significant unresolved discrepancies.
- Each Investment Manager is directed to provide, within thirty days of the end of each calendar quarter, a written report to the Investment Committee detailing any derivative security holding and their potential impact on the portfolio given a worst case scenario.
- Each Investment Manager is required to submit to the Investment Committee annually a written report detailing the firm's soft dollar activity. This report should be submitted within thirty days of the end of each calendar year. The report should list the types of services the firm buys, from whom the services are purchased, total soft dollars generated by the firm, and the percentage of the firm's total soft dollars that are generated by the Trust's account.
- Each manager shall submit to the Board on November 15 and May 15 of each year a written report with respect to brokerage transactions and associated costs. The report should include an accounting of research services obtained in consideration of broker activity.
- Each Investment Manager should reconcile their performance calculations with those of the custodian on a monthly or quarterly basis.
- Each Investment Manager will promptly report each and any breach of these account guidelines to the Investment Committee and will correct the situation causing the breach within 45 days of discovery.

### **Reviews**

The investment performance results of each Investment Manager will be reviewed quarterly. The Investment Manager may or may not be present during these reviews at the discretion of the Investment Committee. This review will focus on the following:

- adherence to the guidelines stated in this Investment Policy Statement;

- adherence to the Investment Manager's stated investment style and philosophy;
- comparison of performance results to the benchmarks and peer groups outlined in this Investment Policy Statement;
- the quarterly review may also focus on any aspect of the quarter's performance or on any occurrences during the quarter. The Investment Committee will also review any required reporting that was submitted during the quarter.

#### **Additional Guidelines**

Section 287.135, Florida Statutes prohibits agencies from contracting with companies for goods or services of \$1 million or more, that are on either the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, created pursuant to section 215.473, Florida Statutes or is on the Scrutinized Companies that Boycott Israel List, created pursuant to Section 215.4725, Florida Statutes (effective October 1, 2016) or is engaged in a boycott of Israel (effective October 1, 2016) or is engaged in business operations in Cuba or Syria. A company that is on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List or is on the Scrutinized Companies that Boycott Israel List, created pursuant to Section 215.4725, Florida Statutes (effective October 1, 2016) or is engaged in a boycott of Israel (effective October 1, 2016) or is engaged in business operations in Cuba or Syria may not bid on, submit a proposal for, or enter into an agreement or renew an agreement with an agency or local government entity for goods or services of \$1 million or more.

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**DOMESTIC LARGE CAP EQUITY  
INVESTMENT STANDARDS AND OBJECTIVES**

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**STRATEGY** This is an active large capitalization equity account. The account's holdings should generally be limited to the large cap portion of the U.S. equity market, commonly described as the 1,000 largest stocks by market capitalization on the U.S. exchanges. The actual security selection criteria used shall be at the discretion of the Investment Manager.

**ASSET ALLOCATION** The account is expected to be fully invested in equity securities at all times. Equity securities are defined as common equity and preferred equity convertible into common equity. Frictional cash of up to 5% of the total account market value is permitted.

**EQUITY  
DIVERSIFICATION** The account's exposure to the securities of any one issuer is limited to the greater of 7.5% of the total account at market value or the benchmark weight of the security plus 2%. The account should be diversified by sector, with sector allocations limited to a maximum of 200% of the weight of the sector in the benchmark Index (see section VI for specific benchmark), or 25%, whichever is greater, with the exception of sectors whose benchmark allocation is less than 5%, where the maximum allocation shall be 15%. No quantitative guidelines are given as to industry diversification. However, the Investment Manager is expected to develop and apply prudent standards. The account may hold equity securities of non-U.S. companies up to a maximum of 15% of the total account at market value. All issues must be denominated in U.S. Dollars.

**EXCLUSIONS** In addition to exclusions stated elsewhere in this document, the following securities and transactions are not permitted for this account:

- lettered, legend or other restricted stock
- naked call options
- puts, straddles, etc.
- futures
- commodities

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**DOMESTIC LARGE CAP EQUITY  
STANDARDS OF INVESTMENT PERFORMANCE**

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**RATE OF RETURN  
EXPECTATIONS** Over rolling three year periods, the account will be expected to achieve the following:

- outperform the return of the benchmark index
- provide a rate of return that ranks in the top 40% in the U.S. Large Cap Equity Universe
- generate a standard deviation of quarterly returns which does not exceed that of the benchmark index by more than 50% without a proportionate percentage increase in return achieved.

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**DOMESTIC SMALL CAP EQUITY  
INVESTMENT STANDARDS AND OBJECTIVES**

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STRATEGY	This is an active small-capitalization equity strategy which focuses on smaller companies than those listed in the S&P 500 Index. The actual security selection criteria used shall be at the discretion of the Investment Manager.
ASSET ALLOCATION	The account is expected to be fully invested in equity securities at all times. Equity securities are defined as common equity and preferred equity convertible into common equity. Frictional cash of up to 5% of the total account value is permitted.
MARKET CAPITALIZATION	The account is expected to maintain a strict small capitalization focus. The average and median market capitalizations of the account are expected to remain within the market capitalization range of the benchmark Index holdings (see section VI for specific benchmark).
EQUITY DIVERSIFICATION	The account's exposure to the securities of any one issuer is limited to the greater of 7.5% of the total account at market value or the benchmark weight of the security plus 2%. The account should be diversified by sector, with sector allocations limited to a maximum of 200% of the weight of the sector in the benchmark Index or 25%, whichever is greater, with the exception of sectors whose benchmark allocation is less than 5%, where the maximum allocation shall be 15%. No quantitative guidelines are given as to industry diversification; however, the Investment Manager is expected to develop and apply prudent standards. The account may hold issues of non U.S. companies up to a maximum of 15% of the total account at market value. All issues must be denominated in U.S. Dollars.
EXCLUSIONS	<p>In addition to exclusions stated elsewhere in this document, the following securities and transactions are not permitted for this account:</p> <ul style="list-style-type: none"><li>• lettered, legend or other restricted stock</li><li>• naked call options</li><li>• puts, straddles, etc.</li><li>• futures commodities</li></ul>

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**DOMESTIC SMALL CAP EQUITY  
STANDARDS OF INVESTMENT PERFORMANCE**

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RATE OF RETURN EXPECTATIONS	<p>Over all three year periods, the account will be expected to achieve the following:</p> <ul style="list-style-type: none"><li>• outperform the return of the Russell 2000 Index</li><li>• provide a rate of return which ranks in the top 40% in the U.S. Small Cap Equity Universe</li><li>• Generate a standard deviation of quarterly returns which does not exceed that of the Russell 2000 Index by more than 50% without a proportionate percentage increase in return achieved</li></ul>
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**NON-U.S. DEVELOPED MARKET EQUITY  
INVESTMENT STANDARDS AND OBJECTIVES**

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STRATEGY	This is primarily a large to mid capitalization non-U.S. equity strategy designed to invest in a broad range of non-U.S. equity securities similar to those contained in the Morgan Stanley Capital International Europe, Australia, and Far East Index. While investment in emerging markets is permissible, it should be limited to no more than 15% of account assets. Emerging Markets is defined as countries not included in the MSCI World Index. The actual selection criteria used shall be at the discretion of the Investment Manager.
ASSET ALLOCATION	The account is expected to be fully invested at all times. Frictional cash of up to 5% of the total account value is permitted.
COUNTRY/REGIONAL DIVERSIFICATION	The maximum allocation to any one country is 50%, regardless of index weight to that country. The allocation to any one country should not exceed 200% of that country's weight in the MSCI EAFE Index, with the exception of countries whose allocation in the EAFE Index is less than 5%, for which countries the maximum account allocation will be 10%.
ISSUE/INDUSTRY DIVERSIFICATION	The account's exposure to the securities of any one issuer is limited at market value to 7.5% of the total account. No specific guidelines are provided regarding industry allocation or security selection. However, the Investment Manager is expected to develop and apply prudent standards applicable to international investing.
HEDGING	The account's foreign currency exposure may be hedged to U.S. dollars. Hedging instruments may include options, forward foreign currency contracts and futures contracts.

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**NON U.S. DEVELOPED MARKET EQUITY  
STANDARDS OF INVESTMENT PERFORMANCE**

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RATE OF RETURN EXPECTATION	<p>Over all three year periods, the account will be expected to achieve the following:</p> <ul style="list-style-type: none"><li>• outperform the return of the MSCI EAFE Index plus 100 basis points</li><li>• provide a rate of return which ranks in the top 40% in the International Equity Universe</li><li>• generate a standard deviation of quarterly returns which does not exceed that of the MSCI EAFE Index by more than 50% without a proportionate percentage increase in return achieved</li></ul>
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**NON-U.S. EMERGING MARKET EQUITY  
INVESTMENT STANDARDS AND OBJECTIVES**

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STRATEGY	This strategy is designed to invest in a broad range of non-U.S. equity securities similar to those contained in the Morgan Stanley Capital Emerging Markets Index.
ASSET ALLOCATION	The account is expected to be fully invested at all times. Frictional cash of up to 5% of the total account value is permitted.
COUNTRY/REGIONAL DIVERSIFICATION	The maximum allocation to any one country is 50%, regardless of index weight to that country. The allocation to any one country should not exceed 200% of that country's weight in the MSCI Emerging Markets Index, with the exception of countries whose allocation in the index is less than 5%, for which countries the maximum account allocation will be 10%.
ISSUE/INDUSTRY DIVERSIFICATION	The account's exposure to the securities of any one issuer is limited at market value to 7.5% of the total account. No specific guidelines are provided regarding industry allocation or security selection. However, the Investment Manager is expected to develop and apply prudent standards applicable to international investing.
HEDGING	The account's foreign currency exposure may be hedged to U.S. Dollars. Hedging instruments may include options, forward foreign currency contracts and futures contracts.

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**NON-U.S. EMERGING MARKET EQUITY  
STANDARDS OF INVESTMENT PERFORMANCE**

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RATE OF RETURN EXPECTATION	<p>Over all three year periods, the account will be expected to achieve the following:</p> <ul style="list-style-type: none"><li>• Outperform the return of the MSCI Emerging Markets Index plus 100 basis points.</li><li>• Provide a rate of return which ranks in the top 40% in the Emerging Markets Equity Universe.</li><li>• Generate a standard deviation of quarterly returns which does not exceed that of the MSCI Emerging Markets Equity Index by more than 50% without a proportionate percentage increase in return achieved.</li></ul>
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**U.S. CORE FIXED INCOME  
INVESTMENT STANDARDS AND OBJECTIVES**

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STRATEGY AND INVESTMENTS	The account shall be invested in marketable debt-type securities including obligations issued by (1) the United States Government or an Agency of the United States Government, (2) U.S. and Non-U.S. corporations (including mortgage bonds, non-convertible notes and debentures, commercial paper, certificates of deposit and bankers acceptances issued by industrial, utility, finance, commercial banking or bank holding company organizations), (3) Mortgage backed and asset backed securities, (4) U.S. local, city and state governments and agencies guaranteed by U.S. local, city and state governments, (5) international agencies, supranational entities and foreign governments, denominated either in U.S. dollars or Non-U.S. currencies, (6) Repurchase Agreements. Derivative securities that are liquid instruments that are traded on major exchanges or if over-the-counter executed with major dealers and which are appropriate for the account may be purchased.
QUALITY CONSTRAINTS	The average quality of the total account should be A or higher. Only investment grade securities (BBB or higher) may be purchased. For bonds with split ratings, the higher rating will apply. In cases where securities were purchased and subsequently suffered unanticipated downgrades, the manager should immediately alert the Investment Committee and outline the course of action anticipated for the security. When determining the rating for a particular issue, the median rating issued for the security by the three major rating agencies (S&P, Fitch and Moody's) should be used. If only two of the agencies have rated the issue, the higher rating should apply.
DURATION CONSTRAINTS	While no specific ranges are required, it is expected that the average duration of the account will be within +/- 20% of the benchmark, the Bloomberg US Aggregate Bond Index.
DIVERSIFICATION	Diversification standards shall be developed and applied by the Investment Manager as deemed prudent, but the account should be well diversified by sector as well as issue. The account's allocation to any one corporate issuer should not exceed 5% of the total account's value at market.
CASH RESERVES	The account is expected to be fully invested at all times. Cash reserves should not exceed 8% of the total account market value, net of cash held pending future settlements. This restriction does not apply to strategic allocations to short duration instruments.
EXCLUSIONS	In addition to exclusions stated elsewhere in this document, the following securities and transactions are not permitted for this account: <ul style="list-style-type: none"><li>• privately placed debt (except 144a securities, which are limited to 15% of total account value)</li><li>• traditional real-estate other than mortgage backed instruments</li><li>• equities or equity-type securities including convertibles and</li></ul>

- attached warrants
- lease-backs, conditional sales contracts, etc.
- commodities, etc.

DERIVATIVES

Exposure to mortgage derivative issues must be limited to 5% of the total portfolio at current market prices

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**U.S. CORE FIXED INCOME  
STANDARDS OF INVESTMENT PERFORMANCE**

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RATE OF RETURN  
EXPECTATION

Over all three year periods, the account will be expected to achieve the following:

- outperform the return of the Bloomberg US Aggregate Bond Index
- Provide a rate of return which ranks in the top 40% in the U.S. Fixed Core Universe
- Generate a standard deviation of quarterly returns which does not exceed that of the Bloomberg US Aggregate Bond Index by more than 50% without a proportionate percentage increase in return achieved.

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**MULTI-SECTOR FIXED INCOME  
INVESTMENT STANDARDS AND OBJECTIVES**

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**STRATEGY,  
INVESTMENTS and  
DIVERSIFICATION**

The portfolio has the ability to invest in a broad range of fixed income securities including domestic, international, emerging market debt as well as high yield securities, TIPS, bank loans, non-agency mortgage backed securities and asset backed securities, municipals and convertible bonds. The investment manager will have the flexibility to invest in fixed income obligations issued by national governments, government agencies, supranational organizations, banks and corporations based on their opportunistic views of the market. The portfolio may include exposure to currencies other than the U.S. dollar.

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**MULTI-SECTOR FIXED INCOME  
STANDARDS OF INVESTMENT PERFORMANCE**

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**RATE OF RETURN  
EXPECTATION**

Over all three year periods, the account will be expected to achieve the following:

- Outperform the Bloomberg Multiverse Bond Index over a full market cycle.
- Provide a rate of return that is above median over a market cycle when compared to relevant peer groups.

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**LIQUID ABSOLUTE RETURN FIXED INCOME  
INVESTMENT STANDARDS AND OBJECTIVES**

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**STRATEGY,  
INVESTMENTS and  
DIVERSIFICATION**

The portfolio has an unconstrained mandate with the ability to invest in a broad range of fixed income securities including, but not limited to, domestic, international, emerging market debt as well as high yield securities, TIPS, bank loans, non-agency mortgage backed securities and asset backed securities, municipals and convertible bonds. The investment manager will have the flexibility to invest in fixed income obligations issued by national governments, government agencies, supranational organizations, banks and corporations based on their opportunistic views of the market. The portfolio may include exposure to currencies other than the U.S. dollar and to derivatives instruments as a means to hedge certain portfolio positions.

**QUALITY CONSTRAINTS**

The overall portfolio is expected to maintain an average credit quality of BBB- or higher as rated by at least two of three rating agencies (Standard & Poor's, Moody's and/or Fitch).

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**LIQUID ABSOLUTE RETURN FIXED INCOME  
STANDARDS OF INVESTMENT PERFORMANCE**

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**RATE OF RETURN  
EXPECTATION**

Over all three year periods, the account will be expected to achieve the following::

- Outperform the Bloomberg US Aggregate Bond Index over a full market cycle.
- Provide a rate of return that is above median over a market cycle when compared to relevant peer groups.

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**COMMINGLED REAL ESTATE  
INVESTMENT STANDARDS AND OBJECTIVES**

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STRATEGY AND INVESTMENTS	Units in pooled funds (open-end or closed-end) whose primary objectives are equity investment in real property assets. Strategies employed may include Core, Core Plus, Value-Add and Opportunistic Real Estate.
DIVERSIFICATION	Each pooled fund should have diversification as an objective. These vehicles should provide broad exposure to the real estate markets and be diversified by property type (office, retail, industrial and residential), geographical location, and size. In no event shall the Fund's interests in any pooled fund exceed 15% of the pooled fund's market value.
QUALITY CONSTRAINTS	Ownership in each pooled fund should primarily be through equity interests. It is anticipated that Core and Core Plus strategies will generally utilize leverage less than 40% of Gross Assets, while Non-Core (Value Add and Opportunistic) strategies will employ greater use of leverage often in excess of 50% of Gross Assets.

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**COMMINGLED REAL ESTATE  
STANDARDS OF INVESTMENT PERFORMANCE**

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RATE OF RETURN EXPECTATION	<p>Over all three year periods, commingled real estate funds will be expected to achieve the following::</p> <ul style="list-style-type: none"><li>• Core and Core Plus Funds shall be expected to outperform the return of the NCREIF ODCE Index.</li><li>• Value Add and Opportunistic Funds shall be expected to produce a premium return to the NCREIF ODCE Index and shall also be compared to a relevant vintage year peer group of similar strategies.</li> <li>• All Real Estate Fund investments will be expected to exhibit low relative correlations to equity and fixed income investments held in the Fund.</li></ul>
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**PRIVATE EQUITY  
INVESTMENT STANDARDS AND OBJECTIVES**

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STRATEGY AND INVESTMENTS	Units in pooled funds (open-end or closed-end), with generally no liquidity for the term of the investment (5-12 years).
DIVERSIFICATION	The portfolio may consist of strategies which when combined, produce a portfolio of complementary areas of focus, industries, stages of financing, vintage year and geographic representation designed to diversify the private equity allocation.
QUALITY CONSTRAINTS	<p>A premium to the return objective of the public equity portfolio is expected to compensate for the loss in liquidity. The following securities and/or strategies may be included:</p> <ul style="list-style-type: none"><li>• Seed, Early and Late Stage Venture Capital</li><li>• Small, Mid and Large Market Buyout</li><li>• Mezzanine Debt</li><li>• Distressed Debt</li></ul> <p>Both domestic and international investments are eligible.</p> <p>Other strategies that improve the potential risk/reward profile of the private equity profile may be included.</p> <p>The private equity investment portfolio should make all attempts to avoid all issues relating to Unrelated Business Taxable Income (UBTI). All post-venture distributions will be forwarded in kind to the appropriate public equity manager to be included in their discretionary portfolio or sold in an appropriate manner at the manager's discretion.</p>

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**PRIVATE EQUITY  
STANDARDS OF INVESTMENT PERFORMANCE**

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RATE OF RETURN EXPECTATION	<p>Over a 5-7 year time period:</p> <ul style="list-style-type: none"><li>• Internal rates of return greater than those available in the public equity markets, as measured by the S&amp;P 500</li><li>• Low relative correlation to the broad public equity market</li><li>• IRR of mature partnerships above median for relevant peer groups</li></ul>
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## VI. PERFORMANCE STANDARDS

### Investment Manager Universes and Benchmarks

Manager	Asset Class	Benchmark	Universe
Loomis Sayles	Large Cap Growth Equity	Russell 1000 Growth Index	U.S. Large Cap Growth Equity Universe
Dodge & Cox	Large Cap Value Equity	Russell 1000 Value Index	U.S. Large Cap Value Equity Universe
ClariVest	Small Cap Growth Equity	Russell 2000 Growth Index	U.S. Small Cap Growth Equity Universe
Leeward	Small Cap Value Equity	Russell 2000 Value Index	U.S. Small Cap Value Equity Universe
Wellington	Small Cap Core Equity	Russell 2000 Index	U.S. Small Cap Core Equity Universe
Marathon	International Equity	MSCI EAFE Index	International Equity Universe
WCM	International Equity	MSCI ACWI ex US	International Equity Universe
Aberdeen	Emerging Markets Equity	MSCI EM Index	Emerging Markets Equity Universe
Loop Capital	Fixed Income	Bloomberg US Aggregate Index	U.S. Fixed Core Universe
Manulife	Fixed Income	Bloomberg Multiverse Index	Global Unconstrained Fixed Income Universe
JP Morgan	Fixed Income	Bloomberg US Aggregate Index	Global Unconstrained Fixed Income Universe
UBS Trumbull Property Income Fund	Core Real Estate	NCREIF ODCE Fund Index	Not Applicable
Blackstone Property Partners L.P.	Core Real Estate	NCREIF ODCE Fund Index	Not Applicable

## VII. SECURITIES LENDING CASH COLLATERAL POOL GUIDELINES

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### CASH COLLATERAL POOL INVESTMENT STANDARDS AND OBJECTIVES

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#### STRATEGY AND INVESTMENTS

The primary objective is to generate an attractive yield on securities lending cash collateral. Collateral will be invested in a pooled fund which shall be primarily invested in money market and short-term fixed income instruments and other securities with debt-like characteristics.

#### QUALITY CONSTRAINTS

At the time of purchase, securities must be rated A 1 /P1. When determining the rating for a particular issue, the median rating issued for the security by the three major rating agencies (S&P, Fitch and Moody's) should be used. If only two of the agencies have rated the issue, the higher rating should apply. Securities not rated will be allowed if the issuer's comparable securities meet the quality constraints detailed in this section. Long-term ratings should be used only if a security is not rated and no comparable security of the same issuer is rated. Long-term ratings must be at least A-.

#### MATURITY CONSTRAINTS

While no specific ranges are required, the effective maturity of the portfolio should not exceed 90 days.

### CASH COLLATERAL POOL STANDARDS OF INVESTMENT PERFORMANCE

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#### RATE OF RETURN EXPECTATION

In addition to exclusions stated elsewhere in this document, the following securities and transactions are not permitted for this account:

- leveraged derivative securities, defined as securities that produce a dollar exposure greater than that of the actual dollars invested in the security
- privately placed debt
- traditional real-estate other than mortgage backed instruments
- equities or equity-type securities including convertibles and attached warrants lease-backs, conditional sales contracts, etc.
- commodities, etc.

## VIII. INVESTMENT ADMINISTRATION

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### **Annual Review Meeting**

The investment manager will be expected to meet annually with the Investment Committee. The agenda for these meetings shall include, but not be limited to:

- the manager's investment performance and risk levels in light of the stated policies and objectives;
- the manager's view on important developments within the economy and the securities markets and their potential effect on investment strategy, asset allocation, and portfolio performance;
- the effects of changes within the manager's organization on investment philosophy, strategy, and performance;
- amendments to the policies and objectives presented in this Policy;
- pertinent changes in the portfolio's actuarial situation.

The Investment Committee may call more frequent meetings at its discretion.

### **Asset Allocation Rebalancing Policy**

The asset allocation guidelines of the Plan shall be determined through consultation with the investment consultant, taking into consideration the pension benefit liabilities of the plan. From time to time it may be necessary for the Fund to rebalance to support the cash liquidity policy or comply with asset allocation guidelines set forth in the Investment Policy.

- The Board in consultation with the Plan's investment consultant shall make the ongoing rebalancing decisions and determine the timing of such. All rebalancing decisions will be made within the guidelines established by the Board and stated within the Investment Policy document.

### **Cash Liquidity Policy**

The following procedures are hereby adopted and will remain in effect until such time as monthly cash flows of the Plan and/or contributions to the Plan support the ongoing benefit and expense payments required by the Plan.

- The Cash Liquidity Policy for the Plan shall be integrated with the management of the Plan's asset allocation rebalancing policy
- Cash required for monthly benefit payments and operating expenses shall be distributed from a cash account. The balance in that account will be monitored on a frequent basis and replenished as necessary, but not less often than quarterly.
- When it is determined that there is insufficient cash in the designated cash account to fund upcoming cash withdrawals, transfers will be made from one or more of the investment accounts into the cash account. The determination of which accounts will provide funds to the cash account will be made by the Board in consultation with the investment consultant, with the following objectives:
  - Rebalance toward the target asset allocation of each account
  - Minimize the transaction costs of providing cash.

### **Communication**

The manager is required to give the Investment Committee a written, quarterly account review detailing investment performance (time-weighted), strategy, and Fund value. The Investment Committee must also receive information about changes in the manager's investment philosophy, management, ownership, and key personnel in a timely fashion.

### **Continuing Education**

In accordance with the pension act, the administration and responsibility for the operation of the Plan is vested in the Board. Further, Florida Statutes assign a fiduciary duty and responsibility to the Plan's accountant and legal advisor. It is the fiduciary responsibility of the Board, the Plan's accountant, and the Plan's legal advisor to avail themselves of educational and training opportunities, including seminars and conferences, in connection with pension related matters. It is recommended that each Trustee attend not less than one educational and training seminar or conference per fiscal year on matters relating to investments and the Board's responsibilities. The Plan's accountant and legal advisor are encouraged to attend at least one educational and training seminar or conference per fiscal year of continuing education on matters relating to investments and their responsibilities as the Board's supporting personnel.

### **Filing of Investment Policy**

It is the intention of the, board to periodically review all goals, guidelines; and objectives. This Policy shall be filed with the Department of Management Services and the Plan's sponsor, the City of Tampa, and consulting actuary.

### **Master Repurchase Agreement**

Although the Plan does not currently participate in master repurchase agreement(s), should the Board direct the investment managers to participate in master repurchase agreement(s), the contract format by which a master repurchase agreement would be governed would be the PSA — The bond Market Trade Association, which is utilized and approved by the Government Finance Officers Association (GFOA). All repurchase agreement transactions shall adhere to the requirements of the master repurchase agreement, if any.

### **Private Placements**

Private Placements may be held provided that approval has been granted by the Board. A private placement is the sale of securities or other investments directly to a limited number of investors. A new issue of stocks or bonds may be placed directly with an institutional investor like an insurance company or a bank trust department. A private limited partnership is also considered a private placement. A private placement does not have to be registered with the Securities and Exchange Commission, as a public offering does, if the securities are purchased for investment as opposed to resale.

### **Valuation of Illiquid Investments**

For each actuarial valuation, the Board, the Board's professionals, or staff shall determine the fair market value of illiquid investments for which a generally recognized market is not available or for which there is no consistent or generally accepted pricing mechanism. Any investment for which fair market value is not provided requires disclosure to the Department of Management Services and the Board. The fair market value of the Plan's investment in the UBS Trumbull Property Fund Gp, LLC is determined by an independent appraisal firm selected by the investment advisor, UBS Realty Investors, LLC.

The Plan has purchased limited partnership interests in Blackstone Property Partners L.P. The valuation of investments for which market values are readily ascertainable shall be obtained by the General Partner from independent pricing services. The valuation of investments for which market values are not readily ascertainable shall be the estimated fair value of such investments as determined in good faith by the General Partner.

## **Document Revision History**

### **February 2009**

- Policy adopted

### **July 2009**

- Small cap equity guidelines amended to require that portfolio median and average market cap remain within the range of the benchmark.
- Fisher Exception on soft dollar reporting
- Dodge & Cox exception related to Technology sector weight

### **November 2011**

- Language incorporated regarding the Plan's required adherence to state and federal regulations, including the Special Act of 1945.
- Global fixed income guidelines incorporated; specific guidelines added for Brandywine.

### **January 2012**

- Global Opportunistic Fixed Income added

### **January 2013**

- Victory's benchmark amended to MSCI EAFE Small-Mid Cap Index from the S&P Citigroup EMI Index
- Removal of Opportunistic from Global Fixed Income Guidelines; further clarification of investment ratings

### **February 2013**

- Updated language for Dodge and Cox's manager specific guidelines

### **May 2014**

- Victory International Small/Mid Cap terminated. Removed from IPS
- Increased EM target allocation from 3% to 5%
- Decreased US Large Cap target allocation from 29% to 25%
- Increased US Small Cap target allocation from 7% to 10%
- Decreased International Developed target allocation from 21% to 20%
- Removed REITs from target allocation; increased Core Real Estate target allocation from 4% to 7%
- Increased Opportunistic Real Estate target allocation from 2% to 3%

### **October 2015**

- Mercator International Equity terminated and replaced with Marathon International Equity.

### **September 2016**

- GW Capital removed from IPS. LMCG Investments LLC added to IPS.

**November 2016**

- Blackstone Property Partners LP added to the IPS.

**September 2017**

- Removed Global REIT from the tactical range of the asset allocation.
- Updated language for asset restrictions/exclusions to apply to separately managed accounts
- Changed maximum non-U.S. developed market EM exposure from 7.5% to 15%
- Changed Barclays Capital Aggregate Bond Index to BloomBar US Aggregate Bond Index
- Changed Barclays Capital Global Bond Index to BloomBar Global Bond Index
- Removed Global Real Estate Investment Trust investment standards and objectives
- Removed CBRE Clarion from performance standards

**November 2017**

- Added language to the Reporting Section of the requirement for each manager to submit semi-annually a brokerage transaction and associated cost report

**December 2019**

- Updated Asset Structure to reflect recent changes to Statute
- Updated investment objective language under Investment Manager Guidelines by replacing equity, fixed and cash guidelines with reference to Florida Statutes 112.661 and 215.47
- Added Investment Standards and Objectives for Multi-Sector
- Added Investment Standards and Objectives for Liquid Absolute Return
- Added Investment Standards and Objectives for Private Equity
- Removed Waddell and Reed and replaced with Loomis Sayles for Large Cap
- Removed Fidelity

**September 2020**

- Updated benchmark in Investment Standards and Objectives for Multi-Sector
- Removed Fisher and replaced with WCM for International
- Removed Brandywine Global Fixed Income and replaced with Manulife Multi-Sector
- Removed SSgA and replaced with JP Morgan Strategic Income Opportunities

**February 2021**

- Updated Strategic and Tactical Targets under Asset Structure

**May 2022**

- Updated the fixed income index provider to Bloomberg
- Updated LMCG to Leeward to reflect the name change related to spinout
- Updated Taplin to Loop Capital to reflect the name change related to new parent company
- Modified Commingled Real Estate Investment Standards and Objectives
- Updated the benchmark for JP Morgan to the Bloomberg US Aggregate Index