MEETING OF THE GENERAL
GOVERNMENT RETIREMENT BOARD
September 14, 2023

A Regular meeting of the General Government Retirement Board was held on **September 14, 2023 at 5:00 p.m.** in City Hall West Meeting Room 1. Members present: Chairman Tom Barnes Jr., Comptroller Diane M. Waldron, Mayor Jeffrey Caggiano, Council member Jacqueline Olsen, Commissioners William Veits, David Maikowski, Frank Rossi, absent Vice Chairman David Preleski, Commissioners Craig Vibert, Tom DeNoto, Peter Dauphinais and David Butkus.

1. Call to Order

Pledge of Allegiance

The meeting was called to order at 5:00 p.m. by Chairman Tom Barnes Jr.

2. Public Participation

None.

3. Approval of the minutes

a. General Government Retirement Board – Regular Meeting on August 10, 2023

A motion was made by Mayor Caggiano and second by Comptroller Waldron and it was unanimously voted to:

> “Approve the minutes of the General Government Retirement Board Regular Meeting of August 10, 2023 and place them on file.”

4. Treasurers Report

a. August 2023.

A motion was made by Comptroller Waldron and seconded by Mayor Caggiano and it was unanimously voted to:

> “Accept the Treasurer’s Reports for August 2023 and place them on file.”

5. Discussion and approval of the new Investment Policy Statement.

A motion was made by Comptroller Waldron and seconded by Mayor Caggiano and it was unanimously voted to:

> “Moved to Accept the new Investment Policy Statement.”

6. Consent Agenda

a. Consideration of a request to approve the Normal Retirement from Lisa Pelletier, Board of Education, BESA Union effective August 5, 2023 with an annual pension amount of $38,342.15 or $3,195.18 monthly.

b. Consideration of a request to approve the Normal Retirement from Diane Vermette, Board of Education, Local 2267 effective June 14, 2023 with an annual pension amount of $12,492.69 or $1,041.06 monthly.

c. Consideration of a request to approve the Normal Retirement with 100% Contingent Annuitant Option from Scott Smith, Information Technology Department, BPSA Union effective August 12, 2023 with an annual pension amount of $91,624.99 or $7,635.42 monthly.

d. Consideration of a request to approve the Early Retirement from Tammy DiPietro, Board of Education, BESA Union effective September 1, 2023 with an annual pension amount of $17,210.64 or $1,434.22 monthly.

e. Consideration of a request to approve the Early Retirement from Jeanne Doerr, Treasurer's Department, BPSA Union effective August 26, 2023 with an annual pension amount of $22,327.80 or $1,860.65 monthly.

f. Consideration of a request to approve the Normal Retirement from Barbara Whiting, Library, Local 233 effective August 23, 2023 with an annual pension amount of $17,441.97 or $1,453.50 monthly.

g. Consideration of a request to approve the Normal Retirement from Regina Aleksandravicius, Library, Local 233 effective July 18, 2011 with an annual pension amount of $8,779.32 or $731.61 monthly.

A motion was made by Comptroller Waldron and seconded by Chairman Barnes and it was unanimously voted to:

"Approve Consent Agenda Items 6a through 6g"

7. Discussion and consideration of investment in new Blue Ocean Fund and to take any action as necessary.

John Oliver addressed the Board and gave an overview about the performance of Blue Ocean Onshore Fund II which is a leading platform for maritime investments with strong performance since Inception. Their main investment objective is to generate long-term, consistent investor returns, predominantly in the form of income distributions, from direct lending and other investment opportunities within the global maritime and transportation industries. The maritime space is one of the biggest deliverables for any type of products, goods and services across the world. John believes this is a great diversifier and recommends investing in it. John Oliver and Commissioner Maikowski engaged in a conversation about management fees, profits and returns.

A motion was made by Mayor Caggiano and seconded by Comptroller Waldron and it was unanimously voted to:

“Approve the recommendation from Beirne Wealth to invest $30 Million in Blue Ocean Onshore Fund II and authorize the Chair or Vice Chair and/or Comptroller to execute the agreement pending review by Corporation Counsel.”

8. Investment Review – Beirne Wealth Consulting, LLC.

John Oliver addressed the board and gave an overview of the economic downside and talked about how USA households are running out savings, student loans payments are restarting, auto loans are rising, default rate pricing for high yields affecting small cap stocks, oil pricing going up and higher interest payments for the US government to refinance debt. All of these factors are affecting the economy and creating more market volatility.

John Oliver reviewed the pension’s portfolio position. He mentioned approximately 10% of the portfolio was unvalued. The portfolio market value is $735,041,498, Credit Portfolio is at 22.81% with a market value of 167,653,177, Equity at 44.32% and a market value of $325,760,454, Public Equity at 35.33% and a market value $261,185,197.

9. Update on Investment Manager Contracts and Fees.

Contracts from Neuberger Berman are ready to be signed, John will be sending a copy to the board.

10. Any other business proper to come before meeting.

9. Adjournment.

At 5:52 p.m. a motion was made by Chairman Barnes and second by Mayor Caggiano and it was unanimously voted to:

“Adjourn.”

Respectively submitted,
Diane M. Waldron
Diane M. WaldronComptroller and Secretary, Retirement Board

City of Bristol Retirement Plan Guidelines
Investment Policy Statement

Amended as of September, 2023

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I. MISSION STATEMENT

The Retirement Board or (Board) of the City of Bristol's Retirement Plan has a fiduciary responsibility to the members and beneficiaries of the Fire, Police, and General Employees Trust Fund. In recognition of this responsibility, the Board hereby adopts the following mission statement.

City of Bristol Public Pension Plan Mission:

To play an integral role in the future financial security of plan participants by properly delivering information which members' value and trust through professional plan administration and prudent management of the pension fund's assets.

The purpose of this mission statement is twofold. First, it provides broad operational direction to the Board, staff and contractors of the City of Bristol's General Retirement Fund. Second, it makes an explicit promise to follow the guidelines of the members to the participants of the funds regarding the future provision of retirement benefits. Bearing the Plan's mission in mind, and following the Charter of the City of Bristol and relevant Ordinances, the Board hereby adopts the following the investment policy.

II. AUTHORITY

1. In 1969 the City Council adopted the Retirement Ordinance, Division 5 of Chapter 2, as provided by the City Charter, amendment of 1969. Since its adoption, the Retirement Ordinance has been amended from time to time by action of the City Council to reflect changes in the laws governing governmental retirement plans, changes in the terms of applicable collective bargaining agreements, and changes in the Plan's design that have been approved by the City Council.

2. Subsection 2-67 of the Retirement Ordinance establishes a general government retirement system with three (3) divisions serving city employees as described in section 2-72, police employees in section 2-91 and fire employees in section 2-97.8.

3. Subsection 2-70, in pertinent part, reads as follows: "The retirement board shall be trustee of the general government retirement system fund and have full control and management of all its securities and assets, with power to invest and reinvest the same in accordance with the provisions of the general statutes governing the investment of funds."

4. Subsections 2-90 and 2-92 of the Retirement Ordinance sets forth the authority by which the Police Benefit Fund shall operate, subject to the provisions of subsection 2-70(a).

5. Subsection 2-97.7 and 2-97.9 of the Retirement Ordinance set forth the authority by

which the Firefighters Benefit Fund shall operate, subject to the provisions of subsection 2-70(a).

6. Subsection 2-72 of the Retirement Ordinance sets forth the authority by which city employees retirement fund shall operate, subject to the provisions of subsection 2-70(a).

7. Subsection 22-68 reads as follows:

(a) The management of the general government retirement system shall be vested in a retirement board consisting of twelve (12) members, as follows: A member of the city council, a member of the board of finance, the comptroller, the treasurer, one member who shall be a member of the city's employees Bristol Police Union and one member who shall be a member of the city's Local Number 773 International Association of Firefighters, AFL-CIO, three (3) electors of the city, none of whom shall be an officer or employee of the city, one elector of the city who shall be a member of the city's employees local number 1338 of the American Federation of State, County and Municipal Employees, AFL-CIO, one elector of the city who shall be a member of the city's employees Bristol Professionals and Supervisors Association (BPSA), and the mayor, ex officio. All members, except the comptroller, the treasurer and the mayor, shall be nominated by the mayor and confirmed by the city council. The members representing the city council and the board of finance shall be appointed for terms of two (2) years and three (3) years, respectively. The others members of the retirement board shall be appointed for five-year terms. The term of office of each appointed member shall continue until a successor is appointed and has qualified. In the event of a vacancy on such board, such vacancy shall be filled in the same manner as the member to be succeeded was appointed or elected. In no event shall any person remain a member of such retirement board except during the time he continues to be a member of the board or body from which he was appointed or elected.

(b) The city shall notify one designated representative of each union or other group representing employees covered by this plan as to the date, time and place of each meeting of the retirement board and such representatives shall be permitted to attend such meetings without loss of pay if meetings are held during representative's scheduled working hours.

8. The language of subsections 2-67, 2-68, 2-70, 2-90, 2-92, 2-97.7, and 2-97.9, together with the City's past practices, along with reservations in subsections 2-66.1 and 2-89.1, establish that the Retirement Board responsible for municipal, police and fire retirement funds has the authority to direct the investments of the assets of the fund(s) for which they are responsible. The City is the custodian of each of the three retirement trusts through the City Treasurer, pursuant to subsection 2-71. The City Retirement Board has delegated its administrative duties to the City of Bristol's Comptroller's Office. The Retirement Board has developed these objectives and guidelines to assist in the exercise of its authority to direct the investment and management of the applicable fund's assets.

III. STATEMENT OF PURPOSE OF INVESTMENT POLICY

The investment policy specifically outlines the investment philosophy and practices of the Plan and the Retirement Board of the City of Bristol. It has been developed to serve as guidelines for the management of the Plan's assets and adopt a long-term plan by which the assets of the Plan will be maintained and advanced through prudent investments. This plan is intended to ensure that the levels of assets are adequate to cover the accumulated liabilities of the system.

In developing the investment policy, the Board understands and accepts its fiduciary obligations to the members of the Police, Fire, and General Employees groups of the City of Bristol. These obligations are legal in nature and are listed in the various City ordinances which incorporate and set up the Board. The intensions of the ordinances and laws are such that an investment fiduciary shall discharge his or her duties in the interests of the participants of the system and their beneficiaries, and shall:

1. Act with the same care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of similar enterprise with similar aims.

2. Act with due regard to the management reputation, stability of the municipality, and the character of the particular investments being considered.

3. Make investments for the purpose of providing benefits to participants, beneficiaries, and of defraying reasonable expenses of investing the assets of the system.

4. Give appropriate consideration to those facts and circumstances that the investment fiduciary knows, or should know, are relevant to the particular investment or investment course of action involved, which would also include the role that the investment course of action plays in that portion of the system's investments for which the investment fiduciary has responsibility.

   For purposes of this subdivision, "appropriate consideration" shall include, but is not necessarily limited to, a determination by the investment fiduciary that a particular investment or investment course of action is reasonably designed (as part of the investments of the system) to further the purpose of the system, taking into consideration the risk of loss and the opportunity for gain or other return associated with the investment or investment course of action. In addition, it shall comprise consideration of the following factors as they relate to the investment or investment course of action:

   a) The diversification of the investments of the system;
   b) The liquidity and current return of the investments of the system relative to the anticipated cash flow requirements of the system; and

c) The projected return of the investments of the system relative to the funding objectives of the system.

5. Give appropriate consideration to investments which would enhance the fiscal stability of the City and its citizens if those investments offer the safety and rate of return comparable with other investments available to the investment fiduciary at the time the investment decision is made.

Principles Guiding the City of Bristol's Public Pension Plan's Investment Activity

1. Preserve the long-term corpus of the Fund
2. Maximize total return with prudent risk parameters
3. Act in the exclusive interest of the participants of the system

IV. INVESTMENT PHILOSOPHY

The City of Bristol's Mission Statement for its public pension fund indicates that among its key duties is provision of benefits to participants. Accordingly, it is critical that the City accumulate and maintain the liquid financial reserve necessary to fulfill this obligation.

Liquid financial reserve shall be obtained from three sources:

1) Contributions from the City of Bristol
2) Contributions from City of Bristol Employees
3) Return on investments

For purposes of this investment policy, the Board assumes that the stream of contributions from the City will continue in the future as determined by the actuary and remain a potentially important source of funding for the beneficiaries of the Fund. Another factor, in terms of total dollar impact, is the return on investment of the assets of the City's public pension fund. However, based on general beliefs about the long-term nature of the pension liabilities and the fact that equity type investments are expected to generate the largest real return over long periods of time, the Board has adopted an asset allocation plan that is expected to achieve a real rate of return in excess of the real rate of return assumptions used by the actuary in evaluating the City's pension fund assets and liabilities and in computing the contribution rates. In the Board's view, taking on the additional risk of achieving return in excess of the actuarial rate is a worthwhile endeavor for the following reason:

- Returns in excess of the assumed rate could be used to take down an existing unfunded liability or maintain a surplus ahead of schedule, ultimately reducing or keeping the City from making a contribution to the Fund for retirement benefits.

It is extremely important for the balance of the portfolio to be structured with diversification as the primary focus. This can be accomplished by identifying and investing in assets with low volatility and/or whose price movements seem to have very low or no relationship to the price movement of equities. These assets include a combination of nominal bonds, real bonds, commodities, cash, and alternative investments. From time to time, other assets may be added to this pool based on their merits as being diversified to equities.

The Board recognizes that even though its investments in general, are subject to short-term volatility, it is critical that a long-term investment focus be maintained. This prevents ad-hoc revisions to the philosophy and policies and reaction to either speculation or short-term market fluctuations. In order to preserve this long-term perspective, the Board has adopted the following formal review schedule.

Formal Review Agenda

1) Policy Mix – review at least every five years
2) Strategy Mix – review at least once per year
3) Performance Review of Policy Mix Relative to Policy Benchmarks – Quarterly
4) Performance Review of Strategy Mix Relative to Strategy Benchmarks – Quarterly
5) Policy Revisions – as needed
6) Review actuarial assumptions and their recommendations yearly

Pursuant to the Board's manager hiring and termination policy, the Board will retain or dismiss external investment managers to implement the Board's investment strategies. These managers will be given specific tactical roles within the overall strategic investment plan. Depending on their assignments, managers may be judged on some or all of the following:

1) Consistency of philosophy, style, and key personnel
2) Performance relative to an appropriate index or proxy group
3) Ability to add incremental value after costs

The Consultant will be responsible for performance monitoring and supervision of the Plan's managers, and will provide reports to the Board based on the above schedule in addition to reports to the Board summarizing the findings and conclusions form the semi-annual due diligence meetings with each manager.

In determining its philosophy toward risk, the Board has properly considered (in addition to its fiduciary obligations and statutory requirements) the Plan's purpose and characteristics, financial liquidity, liquidity needs, sources of contributions, income, and general business conditions. The Board shall always be cognizant of the fact that a key characteristic of the Plan is the extremely long time horizon upon which asset allocation decisions should be based. With this long time horizon in mind, The Board has determined that a flexible allocation to multiple assets is warranted, even though these assets have exhibited high volatility over shorter time frames.

V. ROLES AND RESPONSIBILITIES

Due to the size of The City of Bristol's Pension Fund, its operational requirements are complex. In order to properly administer the Plan and carry out its investment obligations, the Board relies heavily on both staff and external contractors. Because of the number of parties involved, the roles of fiduciaries must be clearly identified. Furthermore, such identification increases operational efficiency, ensures clear lines of responsibility, and reduces or eliminates duplication of effort.

A. Retirement Board

The Board has the responsibility of establishing and maintaining Board policies and objectives for all aspects of the Fund's operation. The City of Bristol's Retirement Board, is responsible for prudent management of the funds and assets involving the retirement of its employees. Specifically with regard to investments, the Board seeks recommendations of their consultant prior to taking action. In keeping with their obligation to serve as governing fiduciaries, changes to any of the following will require the Board's involvement and approval:

1. The Investment Policy
    a. Move to consultant standard rebalancing
    b. Service provider hiring and termination
    c. Proxy voting policy
    d. Security class action litigation policy; participation as a lead plaintiff in any Security Class Action Litigation shall require approval by the City Retirement Board
    e. Consultant notification policy
2. The Policy and Strategy Asset Allocation Mix
3. Performance Benchmarks for the Policy and Strategy Mix
4. All other issues of investment policy not specifically enumerated here

B. Consultant

The Consultant's duty is to work with the Board to manage the investment process. This includes, but is not limited to, regular meetings with the Board to provide an independent perspective on the Fund's goals, structure, performance, and managers. The consultant will review asset allocations and performance in conjunction with the Board and make recommendations to the Board as appropriate. The Consultant will provide performance reporting information on the managers and the Fund. The Consultant will assist with external money manager selections and will promptly inform the Board and discuss the impact of any material changes taking place with any current manager's investment process. The consultant will also be responsible for providing an educational process to the Board in order to help the Board with topical matters which may be occurring within the investment world.

C. External Service Providers

The following is to be the Board's external service provider hiring and termination policy. With regard to its external investment managers, external investment managers will be given explicit written directions detailing their particular assignments, and will be expected to conduct business on behalf of the City of Bristol's Pension Fund in accordance with the mandate for which they were hired. Discretion is delegated to the investment managers to carry out their investment assignment as directed by the Retirement Board. The managers will provide performance reporting as directed by the Board. The managers will provide performance reporting to the Board, at a minimum, on a quarterly basis, utilizing standardized reporting formats. Each investment manager shall make itself available to meet with the Board upon proper notification for such meetings.

In establishing this policy, it is the Board's intention to assure all interested parties that decisions made in carrying out this policy occur in a full disclosure environment characterized by an analysis of costs, objective evaluation, and proper documentation. The overriding consideration with respect to all decisions is that they be made solely in the interest of plan participants and beneficiaries and the City of Bristol.

1. Clearly Defined Objectives

Any action to hire and terminate a service provider will be based on one or more of the following observations.

1. Identification of a new asset class or approach which has been approved by the Board
2. A diversification of style within an existing asset class.
3. The removal of one service provider in favor of another.

Documentation regarding any such action will include a full description of the reason for the action, the benefits of the total fund, the specific elements serving as the basis for the evaluation, as well as identification of the parties involved and their responsibilities.

Documentation will include identification of the relative issues from a total fund perspective, the assumptions made, the results considered and/or qualitative issues upon which the action was based. An objective discussion of risk, cost and perceived benefits is also to be included if appropriate to the subject matter. The job of documentation is the job of the Secretary.

2. Defining Expectations

In the case where a money manager is hired, the search process documents shall include a full description of the return expectations, the absolute and relative risk inherent in the managers' approach, and the proper time horizon for the evaluation of results. Relevant comparative measures, such as benchmarks and/or peer samples shall be identified.

3. Board Reporting and monitoring

After an investment manager is selected, the Board will be informed by the consultant, who will regularly monitor the service provider's results versus expectations. The Board and the consultant will conduct periodic due diligence meetings with the outside investment managers and reports will be kept on file summarizing the assessments of each manager. The Board and the consultant will be responsible for discovering and acknowledging any material events regarding a service provider which may cause the Board to take any action with regard to the provider of such service.

D. Custodianship

The Retirement Board has the responsibility to secure a custodian of the assets for the City of Bristol's Pension Fund. The custodian shall be a financially sound institution and the City of Bristol's Pension Fund assets shall be maintained in their own accounts and not be a commingled part of that institution's assets. The custodian will be responsible for providing a monthly statement of the assets and a yearly statement of the value of the assets and a statement of all income streams earned by the funds. The custodian shall also list the contributions paid into the funds and any withdrawals made to pay pension retirements or expenses.

VI. ASSET ALLOCATION – POLICY AND STRATEGY OBJECTIVES

The City of Bristol's investments are divided into the following general asset classifications:

- Cash
- Equity
- Credit
- Alternative

It is a common practice to construct portfolios using combinations of asset classifications in order to improve the risk/return profile of the fund. This concept is called diversification. The asset allocation decision is generally regarded as the most important decision to be made in the investment management process.

In order to determine the optimum mix of asset classes in a portfolio, several factors must be considered:

1. The expected rate of return for each asset classification
2. The estimated risk of each asset classification (expressed as the standard deviation of the rate of return)
3. The correlation between the rates of return of the asset classes
4. The investment objectives and risk constraints on the Fund

The Board will, however, attempt to make asset allocation decisions in light of economic conditions which may differ significantly from those that are considered to be the long-term standards. It is believed by the Board that incremental returns can be achieved by altering the asset mixes as the investment cycles change over time.

Once this analysis is completed, the asset mix that produces an optimal risk/return tradeoff will be determined. Based on its determination of the appropriate risk tolerance for the fund and its long term return expectations, the Board has chosen the following asset allocation policy mix:

ASSET ALLOCATION FOR CITY OF BRISTOL'S PENSION PLAN

ASSET CLASS	MAX	POLICY	MIN
Credit (Beta, Factor, Active)	65	25	15
High Quality	57.5	15	7.5
Multi-Credit	30	10	7.5
Equity (Beta, Factor, Active)	75	55	35
Public	75	43	35
Private	12	5	0
Diversified	20	7	0
Alternatives	35	20	10
Real Estate	20	12.5	2
Commodities	7	2.5	0
Differentiated return streams	15	5	0
Cash	20	0	0

Unless the decision has been made to implement the policy mix in a completely passive fashion, with the intent of replicating the returns of the policy benchmarks, it becomes important for the Board to make certain strategic decisions regarding the portfolio structure. The major types of strategic decisions typically include any strategic overweight/underweight based on style, size, or sector analysis.

VII. ASSET ALLOCATION – POLICY AND STRATEGY BENCHMARKS

The most important investment return objective to be considered when evaluating the performance is measured by a comparison of the Fund's return to the real rate of return that must be achieved in order for the City of Bristol's Pension Fund to meet its benefit obligations while maintaining a level percent of payroll contributions. While it is not critical to perform this

comparison over shorter time periods (1-5 years), the Fund's returns relative to a real rate of return over a longer time period (5-30 years) should be closely monitored.

Another important investment return objective to be considered when evaluating the performance is measured by a comparison of the Fund's returns to a set of asset allocation policy benchmarks. The asset allocation policy benchmarks represent the broad investment opportunities of each asset class in which the City of Bristol's Pension Fund has chosen to invest. The returns of the asset allocation policy benchmarks should be used as reference points against which the Board and the Consultant compare the strategically overweight/underweight certain areas, then this comparison should not be made to draw conclusions over time periods of less than a full economic cycle. A full economic cycle is deemed to be a time of 7-10years. However, regardless of whether the results are favorable or not, over a full economic cycle every effort should be made to determine if any strategic decisions which have been made are still justified given current information and current economic circumstances.

The asset allocation policy benchmarks:

1. Large Capitalization Equities: S&P500
2. Mid-Capitalization Equities: Russell Mid Cap Index
3. Small Capitalization Equities: Russell 2000
4. International: E.A.F.E Index
5. Emerging Markets: MSCI Emerging Markets
6. REITS: NACREIF Index
7. Alternative Investments: Barclay Hedge Fund Index
8. Fixed Income: Bloomberg U.S. Corporate High Yield Index
9. Fixed Income: Bloomberg U.S. Aggregate

When the decision is made to strategically deviate from the broad market with an asset class, it is important to have a set of strategic benchmarks to use over shorter periods of time to gauge the portfolio's performance. The strategic benchmarks are generally more narrowly defined and focused on the specific investment "strategies" within the asset classes.

Since the strategy benchmarks more clearly identify the respective returns for a given within-class structure, they more objectively, measure the board and/or the consultant's role, which is to implement the Board policy and strategy directives. It should be noted, in some cases when no specific strategy has been undertaken, the policy benchmarks, it is the responsibility of the Board and the Consultant to determine performance expectations for each manager. The specific performance criteria for each manager are to be addressed in their specific guidelines.

Asset Allocation Assumptions

The asset allocation decision is extremely complex and relies on quantitative computer models. While the Board will be aware of the longer term results of modeling of portfolios, it will also implement programs to augment longer term investment results that cannot be determined from the quantitative computer models.

VIII. PERMISSIBLE INVESTMENTS

Listed below are the investment vehicles specifically permitted under this investment policy.

Equity Investment Vehicles

1. Common Stock
2. Preferred Stock
3. Convertible Stocks & convertible bonds
4. American Depositary Receipts (ADR's)
5. Private Equity

Real Estate Investment Vehicles

1. Real Estate Investment Trusts (REIT's)

Fixed Income Investment Vehicles

1. Treasury and Agency Debt
2. Investment Grade Corporate Bonds
3. Mortgage-backed and Asset backed securities
4. Cash and cash equivalent securities
5. Money market funds
6. Inflation-indexed bonds
7. Private placement mortgages
8. Private Debtseptemb
9. Non-investment grade corporate bonds
10. Multi-Credit

Real Estate Pools

1. Pooled real estate investment vehicles

Alternative Investments
1. Commodities
2. Private Real Estate
3. Differentiated return streams

Alternative Investments

Alternative or nontraditional investments would be used in the portfolio to help diversify the portfolio. In seeking additional diversification, the board is attempting to reduce the risk of the portfolio without reducing the return on the portfolio. The board believes that there is significant evidence to support the probability that alternative investments can accomplish these requirements.

IX. GENERAL INVESTMENT RESTRICTIONS AND/OR GUIDELINES

1. No leverage will be used with any general investment strategy. The use of leverage is permitted only in the case of those funds invested in hedge funds. The use of futures to rebalance the Fund is not considered to be leverage.

2. New assets may be held in commingled funds and/or privately managed separate accounts. Exposure to commingled funds shall be evaluated on a case-specific basis, through analysis of the fund's offering document. Upon approval by the Board, the offering document becomes the specific investment guideline for that allocation.

3. The securities representing debt and equity of any one company shall not exceed 5% of the market value at cost of the portfolio.

4. No investment or action pursuant to an investment may be taken unless expressly permitted by this policy. Exceptions may be made subject to prior review and by express written authorization from the board. In the event that any exception is discovered which has not been specifically authorized, such exception will be immediately reported by the Consultant to the Board.

5. The Board is responsible for establishing and maintaining the rebalancing policy. The Board has established flexible guidelines for this rebalancing policy. The Board will attempt to rebalance the Fund between stocks and bonds and the individual asset classes based on valuations and economic circumstances which exist at the time of rebalancing.

X. RESPONSIBILITIES OF EXTERNAL INVESTMENT MANAGERS

The City of Bristol Retirement Board may utilize investment managers to implement its investment programs. These managers will have demonstrated expertise with particular asset classes and/or management styles. Each external investment manager of traditional investment classes shall be a registered advisor under the Investment Advisors Act of 1940 (or shall be appropriately exempt from such registration).

Individual operational guidelines will be established for each manager and shall be included in the City of Bristol's overall investment guidelines. These guidelines will be specific as to a particular role of a particular manager within the overall portfolio and will address the following topics:

1. Permissible investments
2. Portfolio quality requirements
3. Manager-specific issues
4. Style adherence
5. Performance objectives
6. Diversification

Managers will be delegated the duties of sector and security selection, portfolio quality, and timing of purchase and sale, subject to their specific guidelines. Compliance with these guidelines is mandatory. No deviation will be permitted without an amendment to the manager-specific operational guidelines.

Communications

A manager employed by the City of Bristol's Pension Fund is expected to communicate in writing to the Board and to the consultant any developments that may impact the system's portfolio within 5 business days of occurrence. Some examples of these events include, but are not limited to:

1. A significant change in investment philosophy.
2. A loss of key management personnel
3. A new portfolio manager being assigned to the City's account
4. A change in ownership structure by the manager's firm
5. Any occurrence which might potentially impact the management, professionalism, integrity or financial position of the investment management firm.

Additionally, managers will be responsible for meeting with the staff and the Consultant approximately once every six months.

Benchmarks

Each manager's benchmark will reflect that manager's particular style or tactical role in the City of Bristol's investment process. Each benchmark will be clearly specified, measurable, and investable. Benchmarks have to be published or widely recognized; they may be customized for a particular investment style or styles. The proper benchmark shall be determined in advance of funding by mutual agreement between the manager, the Board, and the consultant.

Performance Reporting

All investment managers under contract with the City of Bristol will report investment performance to the Board upon request. The Board requires that its managers utilize a standard reporting format. There will be no exceptions to this requirement. Such reporting will be done on a quarterly and an annual basis unless an exception is made.

Ramifications of Non-Compliance

All investment managers are employed at the pleasure of the City of Bristol's Retirement Board, with a 10-day termination notice provision. Failure to follow these generic guidelines, and/or the manager-specific guidelines as set forth in this section and the implementation of guidelines may result in termination.

Manager Changes

When evaluating manager changes qualitative findings tend to be the precursors to a manager termination. In most situations, lagging performance can be explained by a qualitative change at the organization. To that end, the board will focus much of its attention on obtaining and evaluating market and manager information from the consultant, and on assessing the potential benefit or impact this information may have on invested funds. This is a continuous effort that is performed in conjunction with our consultant's standard due diligence process. When we discover information that could be cause for concern, we may request and perform additional research to determine if potential action is warranted and develop a recommendation.

Determining factors for termination include, but are not limited to, the following: underperformance, key personnel loss, large declines in assets under management, regulatory violations or investigations, better potential investment opportunities, and investment style drift.

Decisions on terminating managers are among the most difficult to make. Typically, if a manager has been terminated, it is the result of a number of factors involving performance, internal change within the management firm, or overall issues with the firm in question. It is understood that managers go through cycles where their strategies underperform and outperform and it is during periods of underperformance where making short-term behavioral decisions may destroy long-term value and performance. When fund-specific issues arise that, require a vote by investors, such as changes to a fund's terms or offering documents, the consultant will review and make a recommendation to the board.

XI. PERFORMANCE MONITORING

Performance reviews are a critical part of the portfolio management process. The Board will rely on the external managers and consultant to provide periodic performance reviews.

Managers

Managers shall, as directed by the ~~b~~Board, provide periodic performance reports utilizing a standard reporting form. There will be no exceptions. Managers may provide their standard performance information in a different format as supplemental information only, at their discretion. Managers will be asked to make periodic performance presentations to the Board.

XII. IMPLEMENTATION

The Board recognizes that the complex investment process for the City of Bristol requires a substantial amount of daily attention. It is clear that the Board, meeting periodically, cannot oversee the day-to-day operations of the investment fund's operation. This would lead to gross inefficiency of operations and would likely breach fiduciary duties. In order to promote operational efficiency in the implementation of its investment policy, the Board has employed various parties to carry out these duties. The efficiency of operations is critically dependent upon the proper delegation and coordination of clearly defined assignments among various parties.

By each party executing this Agreement they acknowledge and accept their respective rights, duties, and responsibilities hereunder. This Agreement is only effective upon our execution below.

CLIENT______________________________________ ________________
By: Authorized Signatory, Title Date

CLIENT______________________________________ ________________
By: Authorized Signatory, Title Date

BEIRNE WEALTH CONSULTING SERVICES, LLC________________ ____________________
By: Authorized Signatory, Title Date
Financial Advisor______________________________ ____________________
Date