

The Investment Staff is proposing a revision to Section 5 of the Investment Policy. This proposal creates a requirement to rebalance when asset allocation end-points are reached and adjusts the International Equities range to +/- 5% of the Strategic Allocation.

5.0 ASSET ALLOCATION

The Investment Committee has allocated the assets of the Fund to several asset classes with the objective of optimizing the investment return of the Fund within the framework of acceptable risk and diversification. Each asset class is allowed to operate within its specific range established by the Investment Committee. In addition, a strategic allocation has been established for each asset class for the purpose of semi-annual performance evaluation and asset rebalancing. If a **public, non-cash** ~~an~~ asset class ~~allocation~~ reaches an endpoint of its **allocation** range, the Investment Committee shall **complete a rebalance to within 2.5% of the Strategic Allocation within 90 days and upon completion, review a further move toward the Strategic Allocation** ~~the asset class range, as needed, to meet investment return objectives.~~ Current asset classes, asset class ranges, strategic allocations, and philosophical precept application are as follows:

<u>Asset Class</u>	<u>Asset Class Range</u>	<u>Strategic Allocation</u>	<u>Precepts</u>
Domestic Equities	15% - 25%	20%	Long-term, Value, Relationship, Contrarian
International Equities	20% - 30% 19% - 29%	24%	Long-term, Value, Relationship
Fixed Income	30% - 40%	35%	Long-term, Value, Relationship, Contrarian
Alternative Investments	15% - 25%	20%	Long-term, Value, Relationship, Opportunistic, Contrarian
Cash	0.5% - 1.5%	1.0%	Relationship