

OHIO POLICE & FIRE PENSION FUND INVESTMENT POLICY and GUIDELINES

I. INTRODUCTION

The purpose of this Investment Policy and Guidelines (Policy or Statement) is to define the framework for investing the assets (Total Portfolio) of the Ohio Police & Fire Pension Fund (OP&F or Plan). This Statement is intended to provide general principles for establishing the goals of OP&F, the allocation of assets and the employment of outside asset management. The statutory investment authority of the Investment Committee/Board of Trustees (the Board of Trustees or the Board) is set forth in Sections 742.11 to 742.113 and Sections 742.114, 742.116 of the Ohio Revised Code (ORC), as amended from time to time.

The objectives of OP&F have been established in conjunction with a comprehensive review of the current and projected financial requirements. These objectives are:

- To have the ability to pay all benefit and expense obligations when due.
- To maintain the purchasing power of the current assets and all future contributions by maximizing the rate of return on OP&F's assets at a reasonable level of risk.
- To maintain 30-year funding and achieve full funding on an actuarial accrued liability basis.
- To control the costs of administering OP&F and managing the investments.

The investment objectives of the Total Portfolio are:

- Long-term returns on Plan investments, in addition to contributions received from members and employers, should satisfy any current funding obligations of the Plan when and as prescribed by law and, once the Plan is fully funded, should keep pace with the growth of Plan liabilities.
- The investment performance goal for the Total Portfolio is to meet or exceed the return of the Total Portfolio policy benchmark over a full market cycle, generally measured over three- to five-years, without taking on additional risk as measured by standard deviation of returns. The Total Portfolio policy benchmark is a weighted average, based on the allocation target defined in Section III below, of each asset class benchmark.

In order to achieve these objectives, the Board of Trustees will conduct itself in accordance with ORC Section 742.11, which provides "The Board and other Fiduciaries shall discharge their duties with respect to OP&F solely in the interest of the participants and beneficiaries." These duties shall also be carried out "with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and like aims", as referenced in ORC Section 742.11. All aspects of this Statement should be interpreted in a manner consistent with OP&F's objectives. At least annually, the Board shall review and adopt policies, objectives or criteria for the operation of the investment program and make such changes as appropriate.

Investment policies and Investment Manager(s) guidelines referenced in this document are separate policies governing specific aspects of managing the Total Portfolio and are not reproduced in this Statement, but are incorporated by reference as governing documents of the Plan.

II. DEFINITION OF RESPONSIBILITIES

A. Investment Committee/Board of Trustees

The statutory investment authority of the Board with regard to the Plan is set forth in Chapter 742, as described above, provides that in its capacity as a fiduciary, the Investment Committee/Board of Trustees must discharge its duties in a prudent manner and for the exclusive benefit of the participants and beneficiaries of the Plan.

In discharging its duties, the responsibilities of the Investment Committee/Board of Trustees pursuant to this Policy include the following:

- Establish the strategic investment policy (Asset Allocation Policy) for OP&F in accordance with the above goals, and periodically review Asset Allocation Policy in light of any changes in actuarial variables and/or market conditions.
- Approve the investment structure for applicable asset classes identified in the Asset Allocation Policy.
- Select qualified Investment Consultant(s) and Investment Manager(s) to advise on and manage OP&F's assets recognizing the goals set forth in ORC Sections 742.11 and 742.116.
- Monitor and review the performance of selected Investment Manager(s) to determine achievement of goals and compliance with policy guidelines.
- Monitor the costs of the investment operations at least annually.
- Review, at least annually, the current investment policies of OP&F and make such changes as appropriate.
- Review applicable annual investment plan(s) prepared by the staff and/or Investment Consultant(s). As conditions warrant, revise the annual investment plan(s) as the year progresses.
- Monitor investment activity for compliance with Board policies and adherence by Investment Manager(s) to strategy and direction.
- Review the overall investment performance to determine whether it meets established benchmarks.
- Evaluate and assign all Investment Manager(s) to a rating category as outlined in OP&F's Investment Manager Monitoring and Evaluation Policy.
- Review suggested changes or additions to the functions and operations regarding the investment operations of similar institutional investors.
- Review the proposed investment department annual operating budget and report its recommendations to the Finance Committee.
- Fulfill any other responsibilities as provided in the ORC and Investment Committee Charter.

The Investment Committee/Board of Trustees may authorize others such as OP&F staff, and may utilize the services of external advisors, such as actuaries, auditors, consultants and legal counsel, to implement decisions made by the Board. The comments and recommendations of such parties will be considered by the Board in conjunction with Board discussion of the issues for the purpose of making informed and prudent decisions.

B. Staff

Staff will be the primary liaison between the Investment Committee/Board of Trustees and the Investment Consultant(s), the Investment Manager(s), and the custodial bank(s). In doing so, the staff will:

- Manage OP&F assets under its care and/or control in accordance with this Policy's objectives and guidelines set forth herein.
- Implement Board decisions regarding asset allocation, investment structure, Investment Manager(s) selection, and portfolio rebalancing procedures.
- Coordinate the Investment Manager(s) selection, evaluation, and retention decisions for the Plan's investments, consistent with OP&F's Investment Manager Search Policy.
- Monitor both internally and externally managed assets to ensure compliance with guidelines set forth in this Policy.
- Establish a process to promptly vote all proxies and related actions in a manner consistent with OP&F's long-term interests and objectives set forth herein and OP&F's Proxy Voting Policy. Maintain detailed records of said voting of proxies and related actions and comply with all regulatory objectives related thereto.

- Manage the overall liquidity in the Total Portfolio to ensure timely payment of member benefit payments and Plan expenses and the investment of contributions consistent with established asset allocation and portfolio rebalancing policies.
- Report to the Board at least quarterly regarding the status of the Total Portfolio and its performance for various time periods. Meet with the Board at least annually to report on Investment Manager(s) performance and compliance with goals and objectives.
- Acknowledge and agree in writing to their fiduciary responsibility to fully comply with this Policy set forth herein, and as modified in the future.

C. Investment Consultant(s)

The Investment Committee/Board of Trustees may retain an investment consulting organization or organizations (the Investment Consultant(s)) to assist in the overall strategic investment direction of the Total Portfolio, or specific asset classes, and its implementation. Each such Investment Consultant(s), in recognition of its role as a fiduciary of the Plan, will assume specific duties. These duties shall generally include the following:

- Provide independent and unbiased information.
- Assist in the development of this Policy and other policies that govern the Plan investments.
- Assist in monitoring compliance with this Policy.
- Assist in the development and recommendation of strategic asset allocation targets, investment structure, and rebalancing procedures for the Total Portfolio or for a specified asset class.
- Assist in development of performance measurement standards.
- Assist in the Investment Manager(s) search and selection process consistent with OP&F's Investment Manager Search Policy.
- Monitor, evaluate and report to the Board on Total Portfolio and/or Asset Class and Investment Manager (s) performance on an ongoing basis.
- Conduct due diligence when an Investment Manager(s) fails to meet a standard.
- Establish a procedural due diligence search process.

D. Investment Manager(s)

The Investment Committee/Board of Trustees may, from time to time, cause the Plan to retain one or more qualified investment managers ("Investment Manager(s)") to manage a portion of the Plan assets. When applicable, the Investment Committee/Board of Trustees shall approve each Investment Manager(s) guidelines, which may set forth the purpose, Investment Manager(s) philosophy and approach, authorized investments, prohibitions, typical portfolio characteristics, performance objectives and evaluation, and Investment Manager(s) communications. The Investment Manager(s) have certain responsibilities that include the following:

- Manage OP&F assets under its care, custody, where applicable, and/or control in accordance with this Policy's objectives and guidelines set forth herein and its governing agreement with OP&F.
- Exercise full investment discretion over the assets in their care within the guidelines set forth in this Policy and, where applicable, the specific guidelines established for the Investment Manager(s) in the governing agreements with OP&F.
- Constructing a portfolio of securities that reflects the execution of a specific investment strategy.
- Promptly inform the Board and staff in writing regarding all changes of a material nature pertaining to the firm's organization and professional staff.
- If directed, promptly vote all proxies and related actions in a manner consistent with OP&F's long-term interests and objectives set forth herein and OP&F's Proxy Voting Policy. Each Investment Manager(s) designated to vote shall keep detailed records of said voting of proxies and related actions and will comply with all regulatory obligations related thereto.
- Provide reporting to the Board or staff or Investment Consultant(s) quarterly regarding the status of the portion of the Total Portfolio managed by the Investment Manager(s) and its performance for various time periods. Meet or participate via teleconference or webcast with the Board or staff or Investment Consultant(s) annually or as needed to report on their performance and compliance with goals and objectives.
- Acknowledge and agree in writing to their fiduciary responsibility to fully comply with this Policy set forth herein, and as modified in the future.

E. Office of the Ohio Treasurer/Board of Deposit/Custodian(s)

Per Section 742.11 of the ORC, the Treasurer of the State of Ohio (the Treasurer of State) is designated as custodian of investment assets. As custodian, the Treasurer of State or its designee (as described below) will be responsible for holding and safekeeping Plan assets, settling purchases and sales of securities; and identifying and collecting income which becomes due and payable on assets held. The Treasurer of State may engage a qualified bank or trust company, as authorized agent of the Treasurer of State, to perform certain services on behalf of the Treasurer of State to fulfill its responsibilities as custodian.

III. ASSET ALLOCATION and REBALANCING

It is the responsibility of the Board to determine the allocation of assets among distinct public and private market asset classes. The allocation will be completed in a manner consistent with commonly recognized financial principles. Application of these principles is expected to lead to a portfolio with the highest level of return consistent with the risk tolerance of OP&F.

The procedure for determining the allocation will consider the relevant characteristics of the liabilities and potential assets of OP&F. The liability considerations shall include, but not be limited to, current and expected future values of the benefits, and future contributions. These factors are important for identifying the investment horizon of OP&F and its cash flow requirements. The asset characteristics considered shall include, but not be limited to, current asset value, the potential return relative to the potential risk, and diversification characteristics.

The asset allocation must be consistent with the investment standards specified in ORC Section 742.11.

The risk/return characteristics of OP&F shall be reviewed on a periodic basis (no less than every five years) through a comprehensive asset liability valuation study. The goal of the study shall be to formulate an Asset Allocation Policy which maximizes return while minimizing overall risk through the most efficient combination of acceptable asset classes under the prudent person standard.

Based on an asset liability valuation study, which analyzed the expected returns, risk and correlations of various asset classes, projected liabilities, and the risks associated with alternative asset mix strategies, the Board has established the following Asset Allocation Policy:

Asset Class	Long-Term Target Allocation - Notional Exposure	Range
Domestic Equity	16.0%	± 5.5%
Non-U.S. Equity	<u>16.0%</u>	<u>± 5.5%</u>
Total Equity	32.0%	± 5.5%
Core Fixed Income	20.0%	± 7.0%
Global Inflation Protected Securities	20.0%	± 4.0%
High Yield	<u>15.0%</u>	<u>± 4.5%</u>
Total Fixed Income	55.0%	± 7.5%
Real Estate	12.0%	± 3.5%
Private Markets	8.0%	± 2.5%
Real Assets	5.0%	± 2.0%
Master Limited Partnerships (MLP or MLPs)	<u>8.0%</u>	<u>± 1.5%</u>
Total Alternatives	33.0%	± 6.0%
Cash Equivalents	<u>0.0%</u>	+ 0.5%
Total	120.0%	

Asset Class	Long-Term Target Allocation - Market Value
Domestic Equity	16.0%
Non-U.S. Equity	16.0%
Core Fixed Income	10.0%
Global Inflation Protected Securities	10.0%
High Yield	15.0%
Real Estate	12.0%
Private Markets	8.0%
Real Assets	5.0%
MLPs	8.0%
Cash Equivalents	<u>0.0%</u>
Total	100.0%

The most recent study has shown that this is a favorable asset mix for meeting longer-term goals under multiple market conditions. In addition, this study incorporates the “risk parity” concept into OP&F’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creates a more risk-balanced portfolio based on the relationship between asset classes and economic environments . From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

The Asset Allocation Policy represents a long-term strategy and thus, the Total Portfolio should strategically meet its performance objectives in the long-term but not necessarily every year.

Short term market shifts may cause the asset mix to drift from the allocation targets. Should the target percentage fall out of the indicated range for a particular asset class, the staff shall direct rebalancing transactions to reallocate assets from the over-allocated asset class to the under-allocated asset class. This rebalancing discipline is intended to encourage “buying low” and “selling high” and to keep the Total Portfolio invested at an appropriate overall risk level. Except when there is a perceived extraordinary downside risk in a particular asset class, movement outside the normal ranges should be avoided.

Investments in private markets, private credit, private real estate and private real assets (infrastructure, timberland and agriculture/farmland,) are generally less liquid than investments in public markets securities and are typically implemented via periodic commitments to funds with limited partnership structures. As a result, actual allocations to these asset classes may deviate from their strategic targets for extended periods. Actual vs. target deviations for these asset classes shall not be considered in violation of the Asset Allocation Policy. Under/overweights to these asset classes shall be invested in public markets securities with the most similar risk/return characteristics as a short-term proxy for the private asset classes. To assist in rebalancing, OP&F may retain a derivative overlay Investment Manager(s) which may provide several benefits including: (1) reduce OP&F’s tracking error relative to our target allocations; (2) improve Total Portfolio returns; (3) enhance liquidity, and (4) reduce the administrative burden associated with management of monthly cash flows.

The Board may adopt interim Asset Allocation Policy target allocations to reflect the transition from previous policy target allocations to new policy target allocations. The interim target allocations will reflect dollar cost averaging and/or opportunistic implementation to most prudently reach the new policy target allocations over time.

IV. INVESTMENT IMPLEMENTATION

The implementation of an investment portfolio designed to achieve the Total Portfolio objectives must be consistent with governing statutes as specified in Sections 742.11 to 742.113, 742.114, 742.116 and with the Ohio-Qualified Investment Manager Policy, the Ohio-Qualified Broker Policy, and OP&F’s Broker Policy.

Where appropriate, OP&F will invest assets through the use of qualified Investment Manager(s). The allocations to these Investment Manager(s) will be made in accordance with the results of the asset liability valuation study, investment structure analysis, and established procedures. For a complete description of the selection of Investment Manager(s), please see OP&F's Investment Manager Search Policy.

V. ASSET CLASS OBJECTIVES, CHARACTERISTICS and INVESTMENT STRUCTURE

Investment structure targets will be established within applicable asset classes to address risk and return factors present in the respective asset class. For example, the domestic equity composite portfolio structural targets will be established to ensure style (growth vs. value) and market capitalization neutrality relative to the overall market, and to address active versus passive implementation decisions. External Investment Manager(s) will be hired to implement the structural targets in a diversified manner and will therefore have derived target weightings within the overall investment program. Where applicable, these are set forth below.

A. Domestic Equity

Investment Objectives

Total return of the domestic equity composite portfolio should exceed the return of the Wilshire 5000 Index over a full market cycle on an annualized basis. Total return of each Investment Manager(s) portfolio should rank above the median when compared to their peer group, if applicable, over a full market cycle on an annualized basis and should exceed their benchmark return as specified in each Investment Manager(s) guidelines or applicable documentation.

Investment Characteristics

The main focus of investing will be on companies headquartered and/or domiciled in the United States. The domestic equity composite portfolio shall have similar portfolio characteristics as that of the Wilshire 5000 Index, and should not exhibit size (market capitalization) or style (value vs. growth) bias.

Investment Structure

The structure of the domestic equity composite portfolio will be diversified among passive and active investment strategies as follows:

1. **Passive Large Capitalization Core Exposure**

The passive large capitalization core component has a target allocation of 40 percent of the domestic equity composite portfolio. This passive portfolio is intended to provide broad market exposure for and diversification to OP&F's domestic equity composite portfolio through holdings in large- and mid-capitalization equities or futures and is to be constructed so as to match the characteristics and return of the Russell 1000 Index.

2. **Active Large Capitalization Portable Alpha Exposure**

The active large capitalization portable alpha component has a target allocation of 50 percent of the domestic equity composite portfolio, comprised of 18 percent to global macro strategies, 22 percent to market neutral strategies, and 10 percent to multi-strategy. The overall objective is to provide risk-adjusted returns greater than the return of the Standard & Poor's (S&P) 500 Index. S&P 500 market exposure, obtained through the use of derivatives and/or physicals, will be combined with strategies that represent diversified sources of alpha with a broad range of risk characteristics. For a complete description of the appropriate use of derivatives, please see OP&F's Derivatives Policy Statement.

3. **Active Small Capitalization Core Exposure**

The active small capitalization core component has a target allocation of 7.5 percent of the domestic equity composite portfolio.

4. **Synthetic Small Capitalization Exposure**

The synthetic small capitalization component has a target allocation of 2.5 percent of the domestic equity composite portfolio.

B. Non-U.S. Equity

Investment Objectives

Total return of the Non-U.S. equity composite portfolio should exceed the return of the Morgan Stanley Capital International All Country World Index ex-U.S. Investible Market Index – Iran and Sudan Free (MSCI ACWI-ex U.S. IMI I/S Free) over a full market cycle on an annualized basis. Total return of each Investment Manager(s) portfolio should rank above the median when compared to their peer group, if applicable, over a full market cycle on an annualized basis and should exceed their benchmark return as specified in each Investment Manager(s) guidelines or applicable documentation.

Investment Characteristics

The main focus of investing will be on companies headquartered or domiciled in the MSCI ACWI-ex U.S. IMI countries, which includes both developed and emerging markets. The Non-U.S. Equity composite portfolio shall have similar portfolio characteristics as that of the MSCI ACWI-ex U.S. IMI I/S Free Index.

Investment Structure

Non-U.S. equity assets will be managed on an active basis in order to exploit the perceived inefficiencies in the Non-U.S. equity markets. The structure of the Non-U.S. equity composite portfolio will be diversified among active ACWI-ex U.S. strategies and dedicated ACWI-ex U.S. small capitalization strategies as follows:

1. Active ACWI-ex U.S. Exposure

The Active ACWI-ex U.S. component has a target allocation of 75 percent of the Non-U.S. equity composite portfolio.

2. Active ACWI-ex U.S. Small Capitalization Exposure

The dedicated Active ACWI-ex U.S. Small Capitalization component has a target allocation of 25 percent of the Non-U.S. equity composite portfolio.

C. Fixed Income

1. Core

Investment Objectives

Total return of the core fixed income composite should exceed the applicable levered return of the Barclays Aggregate Index over a full market cycle on an annualized basis. Total return of each Investment Manager(s) portfolio should rank above the median when compared to their peer group, if applicable, over a full market cycle on an annualized basis and exceed their benchmark return as specified in each Investment Manager(s) guidelines or applicable documentation.

Investment Characteristics

The main focus of investing will be a diversified mix of traditional and non-traditional fixed income securities and/or strategies. Each Investment Manager(s) portfolio shall have similar portfolio characteristics as that of their respective benchmark, however, certain Investment Manager(s) may have broad investment guidelines to allow for greater flexibility in expressing each Investment Manager(s) core investment themes and therefore, the core fixed income portfolio, as well as each Investment Manager(s) portfolio, may exhibit different portfolio characteristics as that of the Bloomberg Barclays Aggregate Index and respective benchmark, respectively.

Investment Structure

Core fixed income assets will be managed on an active basis in order to exploit the perceived inefficiencies in traditional and non-traditional fixed income markets. Given the core fixed income allocation target set forth in the Asset Allocation Policy above, the core fixed income composite portfolio may be levered up to 2.0x.

2. Global Inflation Protected Securities (GIPS)

Investment Objectives

Total return of the GIPS composite portfolio should exceed the levered return of a custom weighted-average mix of the Bloomberg Barclays country indexes within the Global Inflation-Linked Bond Index over a full market cycle on an annualized basis. Total return of each Investment Manager(s) portfolio should exceed their benchmark return as specified in each Investment Manager(s) guidelines or applicable documentation. In addition, there is a portable alpha component to the GIPS composite portfolio whereas the overall objective is to provide risk-adjusted returns greater than the return of the custom weighted-average mix of the Bloomberg Barclays country indexes within the Global Inflation-Linked Bond Index.

Investment Characteristics

The main focus of investing will be a diversified mix of global inflation-linked securities. The GIPS composite portfolio, as well as each Investment Manager(s) portfolio, shall have similar portfolio characteristics as that of a custom weighted-average mix of the Bloomberg Barclays country indexes within the Global Inflation-Linked Bond Index.

Investment Structure

GIPS assets will be managed on an active basis. Given the GIPS allocation target set forth in the Asset Allocation Policy above, the GIPS composite portfolio will be levered approximately 2.0x. GIPS exposure, obtained through the use of derivatives and/or physical bonds, may be combined with a strategy that provides a diversified source of alpha with customized risk tolerances. Implementation of the GIPS composite portfolio will be consistent with OP&F's Derivatives Policy Statement, which provides a complete description of the appropriate use of derivatives in the Plan.

3. Commercial Mortgages

Investment Objectives

While in existence, the total return of the commercial mortgage composite portfolio should exceed the return of the Bloomberg Barclays Mortgage Index; both the returns for the commercial mortgage composite portfolio and Bloomberg Barclays Mortgage Index are lagged one quarter.

Investment Characteristics

While in existence, the main focus of investing will be on commercial mortgage whole loans which provide for fixed income payments derived from underlying property cash flows. Risk shall be controlled through diversification strategies and the retention of qualified Investment Manager(s) with acceptable loan underwriting and/or commercial mortgage acquisition experience.

Investment Structure

While in existence, commercial mortgage assets will be managed solely on an active basis in order to exploit the perceived inefficiencies in the commercial mortgage market. OP&F will utilize commingled fund investments to manage its commercial mortgage allocation.

D. High Yield

Investment Objectives

Total return of the high yield fixed income composite portfolio should exceed the return of the B of A ML US High Yield Constrained Index over a full market cycle on an annualized basis. Total return of each Investment Manager(s) portfolio should rank above the median when compared to their peer group, if applicable, over a full market cycle on an annualized basis and should exceed their benchmark return as specified in each Investment Manager(s) guidelines or applicable documentation.

Investment Characteristics

The main focus of investing will be on below investment grade fixed income securities, those securities rated below BBB- or equivalent. Positions may include publicly traded high yield bonds as well as public and private bank loans and private credit strategies. The high yield fixed income composite portfolio shall have similar portfolio characteristics as that of the Bof A ML US High Yield Constrained Index, or a blended benchmark of the aforementioned index, leveraged loan indices and private credit strategies. Each Investment Manager(s) portfolio shall have similar portfolio characteristics as that of their respective benchmark.

Investment Structure

High yield fixed income assets will be managed solely on an active basis in order to exploit the perceived inefficiencies in the high yield fixed income markets and to minimize the probability of exposure to securities in default.

E. Real Estate

Investment Objectives

The primary role of real estate in the Total Portfolio is to provide: (i) an inflation hedge, (ii) diversify the Total Portfolio by providing a return that has a low or negative correlation with stock and bond returns and (iii) provide a total return that is competitive on a risk-adjusted basis with stocks and bonds and is accretive to OP&F achieving its long-term target rate of return. The return target for the real estate composite portfolio is set forth in OP&F's Real Estate Strategic Plan. Both the returns for the real estate composite portfolio and respective benchmark(s) are lagged one quarter.

Investment Characteristics

Investments will adhere to certain risk management and diversification criteria set forth in OP&F's Real Estate Strategic Plan.

Investment Structure

The target allocation of Total Portfolio assets to real estate will be established by OP&F's long-term Asset Allocation Policy. In order to meet this allocation target, it will generally be necessary to make commitments in excess of the target because of the contribution and distribution cash flow characteristics inherent in the underlying real estate investments.

F. Private Markets

Investment Objectives

The private markets composite portfolio is designed to provide an attractive risk-adjusted rate of return to OP&F. The performance objective for the private markets composite portfolio and for individual investments is set forth in OP&F's Private Markets Investment Policy. Both the returns for the private markets composite portfolio and respective benchmark are lagged one quarter.

Investment Characteristics

Investments will be diversified by certain criteria as set forth in OP&F's Private Markets Investment Policy.

Investment Structure

OP&F may utilize any of the following types of vehicles in implementing the private markets composite portfolio: fund-of-funds, partnerships, limited liability companies or group trusts. OP&F may also participate in secondary offerings or purchase private markets placements from other investors on the secondary market. Annual commitment targets to such investments will be established by OP&F's Private Markets Investment Plan. As stated in OP&F's Private Markets Investment Policy, in order to meet the target allocation of Total Portfolio assets to private markets investments, it will generally be necessary to make commitments in excess of the target because of the contribution and distribution cash flow characteristics inherent in the underlying individual private markets investments.

G. Real Assets

Investment Objectives

The real assets program will consist of infrastructure, timberland and agriculture/farmland. The primary performance objective, along with the strategic goals, of the real assets program will be set forth in OP&F's Real Assets Investment Policy. Both the returns for the real assets program and respective benchmark are lagged one quarter.

Investment Characteristics

Real assets investments will seek to adhere to certain risk controls and diversification criteria set forth in OP&F's Real Assets Investment Policy.

Investment Structure

The target allocation of Total Portfolio assets to real assets will be established by OP&F's long-term Asset Allocation Policy. OP&F will allow an over commitment to the real assets program, up to 35%, to achieve the targeted allocation due to the fact that certain real assets investments, in particular closed-ended funds, draw capital gradually, may not draw their full commitments and generally begin to return capital long before they are liquidated.

H. Master Limited Partnerships (MLP)

Investment Objectives

Total return of the MLP composite portfolio should exceed the return of the Alerian MLP Index over a full market cycle on an annualized basis. Total return of each Investment Manager(s) portfolio should rank above the median when compared to their peer group, if applicable, over a full market cycle on an annualized basis and should exceed their benchmark return as specified in each Investment Manager(s) guidelines or applicable documentation.

Investment Characteristics

The main focus of investing will be on publicly traded partnership units of energy-focused MLP companies. The MLP composite portfolio as well as each Investment Manager(s) portfolio shall have similar portfolio characteristics as that of the Alerian MLP Index.

Investment Structure

MLP assets will be managed solely on an active basis in order to exploit the perceived inefficiencies in the MLP publicly-traded partnership markets.

I. Cash Equivalents

Investment Objectives

Total return of the cash equivalents composite portfolio should exceed the 91-day Treasury Bill rate of return over rolling twelve-month periods. To provide effective cash management when investing cash balances, emphasis is placed on the protection of principal through the purchase of higher quality money market instruments, while at the same time attempting to achieve the highest available return.

Investment Characteristics

Authorized investments, minimum short-term credit ratings, portfolio concentration limits and maturity limits for the short-term investment fund (STIF) shall be set forth in OP&F's Short-Term Cash Management Policy. In addition, the frequency of credit reviews of approved issuers of commercial paper will be based on the short-term credit rating of the issuer and set forth in OP&F's Short-Term Cash Management Policy.

Investment Structure

Staff is responsible for the cash management function, which is described in OP&F's Short-Term Cash Management Policy.

VI. PROXY VOTING

OP&F's Board of Trustees believes that common stock proxies are valuable and should be voted in the long-term interests and objectives of the Plan set forth herein and OP&F's Proxy Voting Policy. Common stock proxies may

be executed by the Sr. Investment Officer or the Chief Investment Officer, or their designees. Staff or their designee that exercises a proxy vote shall keep detailed records of said voting of proxies and related actions and will comply with all regulatory obligations related thereto and the policies set forth in OP&F's Proxy Voting Policy. Staff shall provide a semi-annual summary report of proxy voting actions to the Investment Committee/Board of Trustees.

VII. SECURITIES LENDING

The investment objective for the securities lending program is to generate incremental income within a high quality investment program that safeguards the return of principal, maintains adequate daily liquidity, ensures diversification and tightly controls exposure to fluctuating interest rates. The program may be operated by a bank trustee or a third party lending agent. Marking to market shall be performed daily by the agent(s) and a minimum average of at least 102 percent for domestic, and 105 percent for Non-U.S. collateral shall be diligently maintained. Securities lending reports shall be provided monthly by the agent(s) to staff. Staff will present a semi-annual summary report to the Investment Committee/Board of Trustees.

VIII. INVESTMENT MANAGER MONITORING and EVALUATION POLICY

The purpose of OP&F's Investment Manager Monitoring and Evaluation Policy is to establish the process and discipline for managing the Investment Manager(s) relationship. The policy states the process, responsibilities and important factors for consideration in the monitoring and evaluation process. For a complete description of the monitoring and evaluation process, please see OP&F's Investment Manager Monitoring and Evaluation Policy.

IX. COMMUNICATIONS

Each Investment Manager(s) will provide hard copy reports at least quarterly, including performance measurement, asset inventories, transaction summaries, market commentary or anything else deemed significant at the time of reporting. Each Investment Manager(s) is expected to meet or participate via teleconference or webcast with OP&F's Board or staff or Investment Consultant(s) annually or as needed.

X. INVESTMENT MANAGER SEARCH POLICY

When applicable, the selection of Investment Manager(s) will be conducted under a Request for Proposal (RFP) process and the search may be on a closed or open manager universe basis. For a complete description of the selection of Investment Manager(s), please see OP&F's Investment Manager Search Policy.

XI. SECURITIES LITIGATION POLICY

The Securities Litigation Policy has been adopted to ensure that OP&F takes prudent, effective, appropriate, and efficient actions to protect and increase the value of OP&F investments and to ensure that OP&F receives all money or assets which are due it as a result of the resolution of class action suits in a cost effective manner consistent with the Board's fiduciary duties. For a complete description of the policy objectives, monitoring, reporting requirements, procedures, etc., please see OP&F's Securities Litigation Policy.

XII. IRAN and SUDAN DIVESTMENT POLICY

As required by uncodified provisions of Chapter 742 of the ORC, OP&F has adopted an Iran and Sudan Divestment Policy, the purpose of which is to divest and restrict the purchase of stocks and bonds issued by a publicly traded company with scrutinized business operations in Iran and Sudan, subject to the fiduciary responsibilities of the Board of Trustees, as set forth in Chapter 742 of the ORC. For a complete description of the responsibilities, process, reporting requirements, etc., please see OP&F's Iran and Sudan Divestment Policy.

XIII. ACKNOWLEDGEMENT

The following individuals acknowledge and agree in writing to their fiduciary responsibility to fully comply with the Policy set forth herein, and as modified in the future.

Chief Investment Officer

Cash Manager

Deputy Chief Investment Officer

Investment Officer – Alternative Investments

Sr. Investment Officer – Public Markets

Asst. Investment Officer – Public Markets

Investment Analyst