THE FIREFIGHTERS' RETIREMENT PLAN OF THE CITY OF ST. LOUIS
Effective February 1, 2013

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Investment Policy Statement

Approved 5/29/14

ATTEST:

[signature]
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06/23/14
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I. Authorization and Mission

The City of St. Louis established the Firefighters' Retirement Plan of the City of St. Louis (the "Plan") as described in Ordinance 69245 as amended by Ordinance 69353, pursuant to its authority under the home rule charter provisions of the Constitution of the State of Missouri, to provide retirement, disability and death benefits for the firefighters of the City and their covered dependents for service rendered and compensation received on or after February 1, 2013 (the "effective date"). Details of the Plan are codified in Ch. 4.19 of the Revised Code of the City of St. Louis.

Benefits accrued prior to the Plan's effective dates will continue to be paid by the Firemen's Retirement System (FRS), while benefits based on salary and years of service accrued after that date will be paid by the Plan.

The Board of Trustees (the "Board") of the Plan, as Plan Administrator, has the discretionary authority and responsibility to interpret and manage the Plan and exercise all fiduciary responsibilities with respect to the plan. The Board has discretionary authority to construe the terms of the Plan in accordance with applicable law and make determinations on questions that may affect eligibility.

The mission of the Board in investing the Plan's assets is to meet the actuarially assumed rate of return while taking as little risk as possible so that the Plan will be, over a long-term basis, actuarially sound and sustainable.

The fiscal year for the plan begins on October 1 and ends on September 30.

II. Purpose of this Investment Policy Statement

A. The Plan is funded by a combination of employer and employee contributions. The Board is responsible for ensuring adherence to Plan provisions as well as the investment and administration of Plan assets. The purpose of this Investment Policy Statement ("IPS") is to outline how the Board will meet those obligations relating to the investment portion of its mandate.

B. The objectives of the IPS are:
   1. To create a clear understanding of the financial needs of the Plan;
   2. To determine the collective risk tolerance of the Board;
   3. To create an asset allocation that will have the highest possible chance of meeting the Plan's financial needs with the least possible risk;
   4. To give investment managers and other service providers guidance and limitations in the investment of Plan assets; and
   5. To help Board Members evaluate investment strategy and performance of investment managers.

C. The Plan shall at all times be managed in accordance with Missouri statutes, the City of St. Louis ordinances, and any other applicable law or rule, and in accordance with standard prudent investment practices. The Board, Plan Staff, investment consultant, investment managers, custodian/trustee and all other service providers, as applicable, shall exercise due care in accordance with Missouri Revised Statutes, Sections 105.687-105.690, as amended and the Revised Code of the City of St. Louis, Section 4.19, as amended. Applicable federal, state, or local law(s) will control in the event any provisions of this IPS conflict with said law(s).

D. A set of investment manager instructions ("Instructions") will be developed for each manager and approved by the Board. Such instructions will contain the manager's benchmark by which the manager's performance is measured, any internal account restrictions or limitations, and any necessary exceptions to the IPS.

III. General Investment Principles

A. An investment fiduciary is a person or entity that exercises discretionary authority or control in the investment of the assets of the Plan or who renders, for a fee, advice to the Plan. The term investment fiduciary includes, but is not limited to, the members of the Board, the investment consultant, investment managers and the custodian.

B. An investment fiduciary shall discharge his or her duties exclusively in the interest of participants in the Plan 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 a similar enterprise with similar aims;
   2. Make investments for the sole purpose of providing benefits to participants and their beneficiaries, and of defraying reasonable expenses of supervising, safeguarding, and investing the assets of the Plan; and
   3. Give appropriate consideration to those facts and circumstances than an investment fiduciary knows or should know are relevant to the particular investment.

C. The Board shall give consideration to the following factors as they relate to the Plan's investment course of action:
   1. Diversification of investments;
   2. Liquidity relative to anticipated cash flow requirements; and
   3. Projected return of the investments relative to funding objectives.

IV. Plan Circumstances

A. The Plan is a continuous pension plan with an infinite time horizon and without undue concern for short-term variation in market value of Plan assets.

B. The Plan is less than 100% funded in comparing the actuarial value of assets to the actuarial accrued liability.

C. It is the Board's goal to reach and maintain a fully funded status.

D. The actuarial assumptions and cost method being employed have been examined by the Board and are considered to be reasonable.

V. Responsibilities of the Board

A. The Board is a named fiduciary with the responsibility for administering and investing assets of the Plan. The Board's primary responsibilities are:
   1. To ensure that sufficient assets are available to provide the benefits promised to the Plan's participants;
   2. To earn a long-term rate of return equal to the actuarial assumption with as little risk as possible; and
   3. To accomplish (a) and (b) above prudently and in compliance with the law.
   4. The specific responsibilities of the Board include:
      a. Complying with federal and state law, city ordinances, and this Policy;
      b. Delegating certain responsibilities to qualified advisors and administrative and operational responsibilities to Plan Staff;
      c. Determining the Plan's financial needs and communicating them to the Plan's actuary, investment consultant, investment managers, and other service providers;
      d. Minimizing operational risk and conflicts of interest by separating the functions of consulting, investment management, trading and custody of assets to the extent prudent;
      e. Establishing investment goals and reviewing them on a regular basis;
      f. Selecting an asset allocation that has a high probability of achieving the actuarially assumed rate of return with acceptable risk;
      g. Expressing the Board's risk tolerance through the asset allocation;
      h. Selecting qualified professionals including an actuary, an investment consultant, investment managers, a custodian, and other service providers, and communicating to them their duties and responsibilities;
      i. Monitoring and evaluating performance of these professionals to assure compliance with investment guidelines;
      j. Taking action to add or replace investment managers or other service providers as necessary;
      k. Maintaining records dealing with the Plan and its assets.

VI. Responsibilities of Plan Staff

A. The Board delegates to the Staff daily management of Plan assets and relationships with Plan advisors. The Staff has the authority to make operational decisions with respect to the Plan as assigned by the Board and reinvest Plan assets not allocated by the Board. The Staff will meet with the Board at the Board's request and report on its actions.

B. The Staff's responsibilities include the following:
   1. Making and executing administrative and operational decisions as assigned by the Board, dealing with the investment and reinvestment of all Plan assets, and other delegated duties;
   2. Maintaining liquidity to meet pension obligations;
   3. Managing day-to-day custodial banking operations;
   4. Working with the investment consultant to assure compliance with this Policy and reporting exceptions to the Board.

VII. Responsibilities of the Investment Consultant

A. The primary duty of the investment consultant is to support the Board's management of the investment process. Performance of this duty requires meeting regularly with the Board to provide analysis of the asset allocation and the investments, and as to whether they are meeting the Plan's financial objectives. The investment consultant shall be:
   1. Free from conflicts of interest such that the consultant shall not manage Plan assets, provide brokerage services, execute trades or custody assets;
   2. A registered investment advisor under the Investment Act of 1940;
   3. Knowledgeable and experienced in working with public retirement plans with assets similar in size to those of the Plan.

B. Specific duties of the investment consultant include:
   1. Recommending actions to enhance the probability of achieving the Board's objectives such as the use of various asset classes, implementation of investment strategy, modification of the IPS, and changes in investment managers and other service providers;
   2. Assisting the Board in developing an appropriate asset mix through the use of asset-liability and asset allocation studies;
   3. Creating with the Board an appropriate asset mix through the development of investment strategies, and making recommendations regarding rebalancing;
   4. Providing evaluation of the investment results of the Plan's portfolio and individual asset managers in light of the guidelines and performance standards contained in this IPS, including comparisons to universes of other public pension Plans, as well as attribution analysis of all the Plan's managers;

5. Notifying the Board of changes in investment style or key personnel in any of the investment managers, and needed action;
6. Conducting searches for investment managers and other service providers;
7. Monitoring compliance with this Policy by all responsible parties;
8. Disclosing potential conflicts of interest as they become known;
9. Giving consideration to minority- and women-owned firms who meet appropriate search criteria;
10. Supporting the Board's educational and informational needs.

C. The investment consultant must assume fiduciary responsibility for the responsibilities outlined above.

VIII. Responsibilities of Investment Managers

A. Investment managers retained by the Board must demonstrate by their record, experience, investment expertise and fiduciary responsibility their capacity to undertake the mandate for which they are being considered. Therefore the managers must:
   1. Acknowledge in writing the acceptance of fiduciary duty with respect to Plan assets under their control;
   2. Be currently registered and maintain registration as an investment advisor under the Investment Advisors Act of 1940, be a bank as defined by the Act, or be a multi-state insurance company qualified to perform investment management services; and
   3. Provide the Board with proof of liability and fiduciary insurance coverage

B. Unless the Board grants an exception, investment managers shall not custody assets under their control, execute trades through brokers affiliated with the investment manager, or investment consultant, or otherwise pay fees to the investment consultant.

C. Adherence to Statement of Investment Policy
   1. The investment managers shall respect and observe limitations and guidelines expressed in this IPS, in written addenda to this IPS, or any manager instructions.
   2. The investment managers' acceptance of the responsibility to manage assets of the Plan will constitute acceptance of this IPS, affirming the belief that they are realistically capable of achieving the Plan's objectives within the guidelines and limitations stated herein.

D. Discretionary Authority
   Each investment manager shall be responsible for making investment decisions on a discretionary basis, including decisions to buy, hold and sell securities in a manner reflecting the manager's investment strategy.

E. Communication

1. Investment managers shall keep the Board and the investment consultant informed on a timely basis of the following: major changes in investment outlook, investment strategy, asset allocation, and significant changes in ownership or structure, financial condition or professional staffing.
2. Investment managers will meet with the Board at least annually to review changes as outlined above, and to discuss portfolio structure and any tactical changes to the portfolio or investment strategy.

F. Reporting

The Board and investment consultant shall receive timely notices of transaction activities as may be required, as well as quarterly performance reports, commission summaries and proxy votes. Any other information needed to assist the Board in reviewing the manager shall be received on a timely basis.

G. Proxy Voting

1. The Board has the right to vote proxies solicited in connection with securities held by the Plan, but chooses to delegate this right to the investment manager.
2. The investment manager has the responsibility to vote proxies solely in the interest of the Plan's participants and to protect the value of the securities.
3. Investment managers will keep records with respect to their proxy voting policy and their voting of proxies. Investment managers shall forward to the Board on a regular basis a summary of proxy voting. In cases where the manager voted against management, a supporting rationale should be provided.

H. Compliance with Appropriate State and Federal Laws

The investment managers are responsible for complying with all applicable federal, state, and local laws. .

I. Investment Transactions

1. All transactions shall be completed on a best price, best execution basis.
2. Active domestic equity managers shall manage commissions paid by the Plan not to exceed an annual average of three cents per share for large capitalization portfolios and five cents per share for small- and mid-cap portfolios.
3. The Board shall review commission costs on an annual basis. Should a manager fail to meet this goal in any calendar quarter, a written explanation will be provided to the Staff by the 15th day following quarter end.
4. Commission cost shall be part of the manager's annual review.
5. The Board may direct any manager not achieving the commission goal to execute trades through a commission recapture service selected by the Board.

IX. Responsibilities of Other Service Providers

A. Custodian

The Plan shall retain a trust company or bank to act as custodian for the Plan's assets. The duties and responsibilities of the custodian shall include the following:

1. Safekeeping of the Plan's assets under trust or custodial arrangement;
2. Providing the Board, investment consultant, and managers a regular valuation, transaction listing and accounting of the Plan's assets on a monthly basis;
3. Settling purchases and sales of securities and related transactions by the investment manager employed by the Plan;
4. Sweeping all Plan accounts daily into a cash management account;
5. Making available, if required, all securities eligible to participate in securities lending to the agent employed by the Plan;
6. Managing cash awaiting disbursement to the Plan's managers in liquid, safe, interest-bearing instruments;
7. Providing other custodial services as necessary for efficient investment, custody and administration of the Plan's assets.

B. Actuary

The Board shall retain a qualified actuary who shall have the following responsibilities:

1. Prepare an annual valuation of all Plan assets and liabilities. Such valuation shall be provided to the Board to determine the financial condition of the Plan and the contribution rate necessary to fund the Plan;
2. Recommend to the Board adoption of certain assumptions including those concerning contribution rates, death, disability, withdrawal, retirement, and investment returns;
3. Compare forecasted assumptions against the Plan's actual experience;
4. Assist the investment consultant in preparation of all asset-liability studies and the analysis of the Plan's liabilities and Plan provisions;
5. Provide guidance and perspective regarding special actuarial studies, experience studies, benefit changes, and other things of an actuarial nature as required by the Board.

C. Legal Counsel

The Board shall retain a qualified attorney to represent the Plan in all legal matters, and to provide legal advice and insight as necessary.

X. Investment Objectives

A. The broad investment objective of the Plan is to ensure over the life of the Plan than an adequate level of assets is available to fund the benefits payable to the Plan's participants and beneficiaries at the time they become payable. In meeting this objective, the Board seeks to achieve an investment return consistent with the actuarial assumption while taking as little risk as possible.

B. To meet these objectives, the Plan shall have as a goal achieving an annualized rate of return net of fees over a market cycle (assumed for convenience to be 3-5 years) with the following characteristics:
   1. Meets or exceeds the annual actuarial investment return assumption;
   2. Meets or exceeds the return of the Strategy Index, such index being comprised of the returns of the various benchmarks assigned to the managers weighted to the target asset allocation;
   3. Definitions
      a. The term "annualized rate of return" is defined as total rate of return, including all dividend and interest income and both realized and unrealized capital gains or losses, as measured on a compounded or time-weighted (geometric mean) basis. This does not include investment management fees, but does include transactions costs.
      b. For comparison purposes, performance will be reviewed gross of fees. However, for meeting Plan objectives, performance will be reviewed net of fees.
      c. Composition of the Policy Index is shown in the Asset Allocation Addendum of this Policy.
      d. Private market investments, if and when the board decides to employ them, will not be included as a component of the Fund's policy benchmarks due to their unique liquidity characteristics and differences in performance measurement calculation methodology.

C. Preservation of Purchasing Power
   The preservation of Purchasing power is another long-term investment objective for the Plan. Asset growth, exclusive of contributions and withdrawals, should exceed the rate of inflation as measured by the annual CPI over the long term to preserve purchasing power.

D. Investment Managers
   1. Each active Investment Manager is expected to achieve an annualized total return over a market cycle assumed for convenience to be 3-5 years which exceeds the manager's assigned benchmark net of fees; and ranks above the median in a universe consisting of managers in a similar style.
   2. Each passive investment manager is expected to achieve an annualized total rate of return gross of fees that matches the underlying benchmark.
   3. Private market investments are measured by the internal rate of return (IRR) and are not meaningful until about five years from inception.

XI. Asset Allocation

A. The level of risk that the Board assumes in the Plan is primarily a function of the asset allocation. The proportion of assets allocated for equity investments is the most important determinant of volatility. Historically the risk of equity ownership has been rewarded with higher rates of return and is necessary in the current funding environment given the Plan's resources.

B. The Plan's assets will be invested initially in a diversified portfolio consisting of equity securities, fixed income securities and cash equivalents. Later, as the fund grows, it is anticipated that Plan assets will also be invested in diversifying assets which could include real estate, private equity, timber, hedge funds, commodities, energy-related master limited partnerships or MLPs, tactical strategies, etc.

C. The Board, with the advice of the investment consultant, has selected an initial asset mix for the Plan. This mix is intended to be a simple, low-cost way to initiate the investment program. The Plan's target asset allocation can be found under the Asset Allocation Addendum to this policy.

D. The asset allocation is strategic. The target allocation and permitted range for each asset class shall be based on the most recent asset-liability study, generally every 3-5 years. Both the target allocations and permitted ranges should be adhered to under normal circumstances.

E. The investment consultant shall review the target allocation with the Board every 12-18 months. Periodically the target allocation may be adjusted based on the investment consultant's asset-only review to take advantage of market opportunities, introduce new investment strategies or reduce risk.

F. The actual allocation may also fall outside the specified range for a short time in the following circumstances: dollar cost averaging is being employed to return to the allocation, portfolio transition, or other cases where the Board determines that deviation from the target and range is in the best interest of the Plan.

G. Rebalancing
   1. Rebalancing to the target allocations shall be implemented as necessary. The first tool to achieve rebalancing should be cash flows, followed by redeployment of manager cash, and lastly portfolio liquidation.
   2. Staff, at the recommendation of the Manager, will consider necessary action when the actual allocation falls outside the ranges provided around the target allocation. Priority will be given to asset class before style or individual manager. Staff shall inform the Board of any such action taken.
   3. Managers considered by the Board to be underperforming or under special scrutiny may be excluded from receiving additional assets in any rebalancing.

XII. Investment Guidelines

Investment guidelines below are to be used in selecting managers and guiding the work they do for the Plan. Managers being considered for the Plan should be asked in advance whether these guidelines pose any issues for them in managing the Plan's assets. The Board may grant exceptions or otherwise modify the guidelines in this IPS for an individual manager. If such exception is granted, it will be contained in the manager's instructions.

Commingled Funds

The Board may invest in commingled vehicles such as mutual funds or common (group) trust funds that are institutional in nature. When utilizing a commingled vehicle, the Board acknowledges that the assets will be managed according to the fund's own guidelines which necessarily supersede the guidelines in this IPS. These guidelines are hereby adopted as part of the Plan's IPS. In the event that the Board chooses to invest in a commingled vehicle, careful consideration should be given to any differences between the rules governing the fund and the rules governing like assets in this IPS.

Domestic Equity

These guidelines refer to allocations focused on public equity-only allocations and do not apply to private market investments, hedge funds, and other strategies that may combine equity investments with other types of investments.

A. Role in the Portfolio
The purpose of equity is to provide capital appreciation over time. The low correlation between stocks, fixed income and some diversifying assets helps reduce volatility.

B. Permissible Investments
The following investments are permitted for domestic equity allocations:
    1. Domestic common stocks;
    2. Domestic preferred stocks;
    3. Convertible preferred stocks and bonds;
    4. Stock index futures and other exchange-based derivatives for the purpose of hedging and establishing unleveraged long positions within the underlying benchmark;
    5. American Depository Receipts (ADRs);
    6. Real estate investment trusts (REITs);
    7. Master Limited Partnerships (MLPs).

C. Restricted Investments
The following investments are restricted:
    1. Derivatives other than those specified above;

2. Letter stock;
3. Short sales or margin transactions;
4. Commodities or commodity contracts;
5. Unregistered securities and private placements except SEC Rule 144A securities.

D. Guidelines:
1. All equity portfolios should be well diversified according to each manager's internal guidelines to avoid excessive exposure to any single economic sector, industry group or individual security;
2. The overall equity portfolio should be diversified by style and capitalization;
3. Equity investments should be made in companies with market capitalization greater than $20 million;
4. No equity portfolio measured at market shall have a sector weighting exceeding 30% or 2 times the sector weighting of the underlying benchmark;
5. No single issue shall exceed 5% of the portfolio's market value at cost.

E. Investment Goals
Investment goals are specified in the Asset Allocation Addendum to this IPS.

International Equity

A. Role in the Portfolio
The purpose of international equity investments is to provide capital appreciation with some diversity relative to domestic equity.

B. Permissible Investments
The following investments are permitted for domestic equity allocations:
1. Common and preferred stocks issued by non-U.S. corporations domiciled in developed and emerging market countries;
2. Forward foreign currency exchange contracts for hedging purposes;
3. American Global Depository Receipts;
4. Emerging market equity;
5. Stock index futures and other exchange-based derivatives for the purpose of hedging and establishing unleveraged long positions within the underlying benchmark
6. The same issuer, sector and capitalization restrictions contained in the domestic equity guidelines shall apply;
7. Units of commingled or mutual funds investing in substantially the same permissible investments.

C. The following investments are restricted:
1. Futures, options and currency transactions except those used for transaction settlement or defensive currency hedging;

2. Any investment restricted by the domestic equity restrictions provisions.
3. Emerging market equity in excess of 20% of a manager's portfolio if that portfolio is benchmarked to a developed country index.
4. Derivatives other than those specified above

D. Guidelines:

1. Each portfolio shall be diversified by country, economic sector, industry, number of issues held and other investment characteristics.
2. Net short foreign currency position may not be taken;
3. Currency management is at the discretion of each manager.

E. Investment Goals

Investment goals are specified in the Asset Allocation Addendum to this IPS.

Domestic Fixed Income

B. Role in the Portfolio

The purpose of fixed income is to provide relative safety of principal and a predictable source of income.

C. Permissible Investments

The following investments are permitted for domestic equity allocations:

1. U.S. Treasury and agency bills, notes and bonds
2. Corporate and municipal notes and bonds
3. Mortgage-backed securities
4. Asset-backed securities
5. Convertible securities
6. Cash equivalent securities
7. Money market funds
8. Stock index futures and other exchange-based derivatives for the purpose of hedging and establishing unleveraged long positions within the underlying benchmark

D. Restricted Investments

The following investments are restricted:

1. Derivatives other than those specified above;
2. Direct loans or extension lines of credit to any interested party;
3. Private placement bonds or unregistered securities except those regulated under SEC Rule 144A;
4. Non-U.S. dollar bonds

E. Guidelines

1. Fixed income securities shall be limited to those with S&P/Moody's rating of investment grade (BBB/Baa) or better. Investment managers shall immediately notify the Board of any investments that are

downgraded below investment grade, and provide a Plan for holding or disposition of said securities.
2. The overall credit of the portfolio shall remain A or better.
3. Investments of any one issuer excluding obligations of the U.S. government, either direct or implied, shall not exceed 5% of any fixed income portfolio's market value.
4. The effective duration of any fixed income portfolio shall not exceed 120% of the effective duration of the manager's broad market benchmark.
5. Collateralized mortgage obligations cannot be more sensitive to interest rate changes than the underlying mortgage-backed security.

F. The Board may be consider exceptions to these criteria for individual managers regarding credit quality, the use of non-US dollar bonds and the use of interest rate futures to adjust duration. Such exceptions shall be specified in the manager's contract.

G. Investment Goals
Investment goals are specified in the Asset Allocation Addendum to this IPS.

Global Fixed Income

A. Role in the Portfolio
The purpose of global bonds is to diversify fixed income, particularly during periods when domestic bonds have poor return prospects.

B. Permissible Investments
The following investments are permitted for global fixed income allocations:
1. All permissible domestic fixed income investments;
2. Obligations of foreign governments and agencies;
3. Foreign corporate bonds, rated investment grade;
4. Foreign money market instruments.

C. Restricted Investments
The following investments are restricted:
1. Derivatives other than those allowed within the domestic fixed guidelines;
2. Below investment grade securities.

D. Investment Goals
Investment goals are specified in the Asset Allocation Addendum to this IPS.

Real Estate and other Real Assets

A. Role in the Portfolio
   Real assets provide diversity from both equity and fixed income, and a hedge against inflation. Real assets can also provide the highest level of return in certain economic environments such as stagflation. Real assets include real estate, timber, commodities, energy-related master limited partnerships, infrastructure, farmland and other strategies.

B. The Board believes that the Plan should not invest directly in real assets at this time. Should the Board wish to invest in real assets in the future, it may wish to adopt relevant guidelines. However, in most cases, real assets for a Plan of our size can be accessed only through a commingled fund for which the policies of this IPS are not relevant.

Hedge Funds

A. Role in the Portfolio
   Hedge funds can serve a variety of purposes, the main one being providing return between equity and fixed income with lower volatility.

B. The Board believes that the Plan lacks sufficient size to invest in hedge funds at this time. Should the Board wish to invest in hedge funds in the future, it may wish to adopt relevant guidelines. However, in most cases, hedge funds for a Plan of our size can be accessed only through a commingled vehicle for which the policies of this IPS are not relevant.

Private Market Debt and Equity

A. Role in the Portfolio
   Private market debt and equity offer diversity by accessing portions of each sector not included in the public markets. They also offer higher returns than their public counterparts due to greater risk and an illiquidity premium. Thus they play the role both of diversifier and of increasing return.

B. The Board believes that the Plan lacks sufficient size to invest in private market debt and equity at this time. Should the Board wish to invest in private market debt and equity in the future, it may wish to adopt relevant guidelines. However, in most cases, hedge funds for a Plan of our size can be accessed only through a commingled vehicle for which the policies of this IPS are not relevant.

XIII. Review and Evaluation

Performance will be reviewed quarterly, and the Board reserves the right to terminate any manager at any time without cause. However, under most circumstances, judgment will be reserved until a full market cycle has passed. This is assumed for simplicity to be 3-5 years, but should include both up and down periods of stock market performance, each period lasting at least several quarters.

A. Investment performance for the portfolio as a whole shall be measured on a quarterly basis and compared with 1) the policy index and 2) a percentile ranking within a broad universe of public plans. Judgment of the performance is left to the discretion of the Board, as any given level of performance must be considered along with the risk the Board is willing to take.

B. Investment manager performance shall be measured quarterly and compared with 1) an assigned benchmark and 2) a percentile ranking within a universe of managers in a similar style.

C. Consideration shall be given to the extent to which investment results are consistent with the investment guidelines set forth in this statement.

D. Reasons for termination include the following:
    1. Change in the Board's investment philosophy or asset allocation;
    2. Failure to meet performance goals specified above;
    3. Insufficient justification of poor results in any period of time;
    4. Failure to fulfill communication and reporting requirements;
    5. Deviation from the investment style for which the manager was hired;
    6. Change of key personnel or ownership.

E. Board Annual Review Requirements
At least annually, the Board will review the following:
    1. The actuary's valuation of Plan assets, liabilities, and related information.
    2. The Plan's asset allocation in light of the current market environment and recent results;
    3. Manager performance, including
        a. Returns relative to the stated evaluation criteria and
        b. Proxy voting procedures and record of each manager;
        c. Commissions generated, rates charged and firms used by each investment manager;
        d. Manager fee schedules;
    4. This IPS

XIV. Other Matters

A. Request for Proposal Protocol (RFP)

The selection of any manager shall be subject to a competitive bidding process and shall comply with all ordinance requirements governing contracts for professional services, including Ordinance 64102 and any subsequently enacted requirements governing such contracts.

During a competitive search for a new manager, from the time the RFP is issued until all respondents are notified of the Board's decision, all contact with employees or Board members concerning the RFP is prohibited.

Except, however, any questions regarding an RFP shall be submitted in writing. All questions received shall be answered in writing, summarized and forwarded to the designated email address of each entity requesting a copy of the RFP. A list of all entities requesting copies of the RFP will be maintained and copies of all questions and responses thereto will be made available to each entity on such list. Questions must be submitted no later than 7 days prior to the closing date of the RFP.

B. Special Vendor Presentations

The Board usually conducts a competitive search for a new manager through its investment consultant. When a Trustee requests that a firm be considered for a special presentation, the following procedure shall be followed:

1. All such requests shall be submitted to the Secretary in writing;
2. The Secretary shall forward such request to the investment consultant
3. The investment consultant shall review the vendor and provide a written report to the Secretary;
4. The Secretary shall forward the investment consultant's report to the Trustees;
5. The Trustees will then evaluate the report at the next scheduled meeting and decide whether to meet with the vendor.
6. If the Trustees choose to meet with the vendor, action may be taken no sooner than the next regularly schedule Board meeting.

Asset Allocation Addendum to Investment Policy Statement

It is the philosophy of the Board based on the recommendation of the investment consultant to initially invest the assets of the Plan into a simple, allocation utilizing low-cost index funds. As the Plan grows in size, more asset classes subclasses may be added to increase return or decrease risk.

When the fund, in the opinion of the Trustees, reaches sufficient size, the investment consultant will perform the first formal asset allocation study.

Below is the initial allocation.

Actuarially Assumed Rate of Return: 7.625 %

Asset Class/Style	Target Allocation	Permitted Range
Global All-Cap Equity	60%	+/- 5%
Domestic Short-Term Fixed Income	40%	+/- 5%

Policy Index	Target Allocation
FTSE Global All-Cap Index	60%
BC 1-5 Year Gov/Credit	40%

Operational Addendum to Statement of Investment Policy

Investment Advisor's Acceptance for the Firefighters' Retirement Plan of the City of St. Louis

The undersigned investment manager acknowledges its appointment as a named fiduciary in accordance with the advisory agreement between the investment manager and the Board and agrees that this Investment Policy Statement (IPS) shall be incorporated as part of the advisory agreement with the Board and shall be substituted for any previous IPS, if any, agreed to by the Board and the investment manager.

If at any time the investment manager believes that the objectives and guidelines contained in this IPS cannot be met or performed in compliance with this IPS, the investment manager agrees to promptly notify the Board n writing. In consideration of the investment manager's initial engagement by the Board and the investment manager's continuing relationship as an investment advisor for the Board, the investment manager acknowledges a complete understanding of these objectives and guidelines of this IPS and agrees to abide by each requirement during the course of engagement.

______________________________	______________________
(INVESTMENT MANAGER SIGNATURE)	**(DATE)**
______________________________	______________________
(PRINTED NAME)	**(TITLE)**
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(FIRM NAME)	