CHATHAM COUNTY EMPLOYEES' RETIREMENT PLAN
INVESTMENT POLICY
Effective Date: August, 2017

I. PURPOSE OF INVESTMENT POLICY STATEMENT

Chatham County has established the Chatham County Employees' Retirement Plan (the "Plan") to provide retirement and disability benefits for those County employees who are or shall be covered by the Plan. The purpose of the Plan is to provide for the accumulation and distribution of money in an actuarially sound fashion over the years of the employees' service and subsequent retirement.

The Chatham County Pension Board (the "Pension Board") is responsible for establishing a funding policy consistent with the objective of the Plan. The Pension Board has established this Investment Policy to set forth investment policies, objectives, and guidelines which the Pension Board judges to be appropriate and prudent for the management of the assets of the Plan, in consideration of the needs of the Plan's participants and beneficiaries. The Investment Policy is to assist the Pension Board in more effectively supervising and monitoring the investment program of the Plan and to facilitate periodic review both of the investment performance and fund objectives.

The Pension Board recognizes that the obligations of the Plan are long-term and that the Investment Policy should be made with a view toward performance return over a number of years. The general investment objective is to obtain a reasonable total rate of return, defined as interest and dividend income plus realized and unrealized gains or losses, commensurate with the Pension Board's fiduciary duties and applicable Georgia law.

A reasonably consistent and adequate return, protection of the assets against the inroads of inflation, and absolute safety of the assets are paramount. However, the volatility of interest rates and securities markets make it necessary to judge results within the context of several years rather than over short periods of one or two years. Performance will be measured quarterly.

II. GEORGIA LAWS

The Chatham County Employees' Retirement Plan is a public retirement system subject to the Public Retirement System Standards Law under Title 47 of the Georgia Code. Accordingly, the investment of Plan assets must be in accordance the Public Retirement Systems Investment Authority Law, O.C.G.A. § 47-20-80 *et seq*., and, in particular, the provisions governing the eligible forms of investment in O.C.G.A. § 47-20-83 and the provisions applicable to "large retirement systems" in O.C.G.A. § 47-20-84 and § 47-27-87. This Investment Policy is intended to complement the investment guidelines provided in Title 47 of the Georgia Code and local ordinances. If at any time this document is found to be in conflict with Georgia laws, the statue shall prevail.

Generally, any restrictive provision in this Investment Policy will be based upon market value instead of historical cost as to individual security positions and asset allocations amongst common stocks, fixed income and cash reserves. However, pursuant to O.C.G.A. § 47-20-82(c), any investment limitation under the Public Retirement Systems Investment Authority Law based upon the amount of the Plan's assets is determined on the basis of the assets' aggregate historical cost.

Although the Plan is not subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA), ERISA commonly sets the benchmark for fiduciary standards. Therefore, all of the individuals associated with the Plan should strive to act within the confines of the following ERISA guidelines.

EVERY FIDUCIARY SHALL:

- Discharge his or her duties for the exclusive purpose of providing benefits to the Plan members and their beneficiaries and defraying reasonable expenses of administering the Plan;
- Act 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 like character and with like aims;
- Diversify investments of the Plan so as to minimize the risk of large losses unless under the circumstances it is clearly not prudent to do so; and
- Operate in accordance with the Plan procedures, documents and instruments.

NO FIDUCIARY SHALL:

- Deal with the Plan assets for his or her own account or his or her own interest, or;
- Act in any matter affecting the retirement system on behalf of any person or organization whose interests are adverse to the interests of the Plan, its members or beneficiaries.

III. INVESTMENT PERFORMANCE OBJECTIVES

Based upon the Fund's latest actuarial report, the Trustees have established long-term goals for the overall investment portfolio consistent with the liabilities of the Fund. At a minimum, the Fund in aggregate needs to earn a compound annualized rate of return over time of 8.0%.

A. Total Fund Performance:

The performance of the total fund will be measured each quarter for rolling three and five year periods. These periods are usually considered sufficient to accommodate the different market cycles commonly experienced with investments. In addition to achieving the required actuarial rate of return, the total return of this portfolio is expected to exceed the return of the calculated model index as provided by the consultant. The model index is defined as a composite of passive indices whose composition is determined each quarter based on the plan's actual allocation mix.

B. Domestic Equity Performance:

The equity portion of the portfolio is expected to perform at a rate greater than the Russell 3000 Index and/or in the top 50% of an appropriate broad market equity universe.

The large cap equity portion of the portfolio is expected to perform at a rate greater than the S&P 500/Russell 1000 Index and/or in the top 50% of an appropriate large cap market equity universe.

The mid cap equity portion of the portfolio is expected to perform at a rate greater than the S&P 400/Russell Midcap Index and/or in the top 50% of an appropriate mid cap market equity universe.

The small cap equity portion of the portfolio is expected to perform at a rate greater than the S&P 600/Russell 2000 Index and/or in the top 50% of an appropriate small cap market equity universe.

C. International Equity Performance:

The international equity portion of the portfolio is expected to perform at a rate greater than the MSCI EAFE index and/or in the top 50% of an appropriate international equity universe.

D. Fixed Income Performance:

The fixed income portion of the portfolio is expected to perform at a rate greater than the Barclay's Capital Aggregate Index and/or in the top 50% of an appropriate broad market fixed income universe.

E. Real Estate Performance

The real estate portion of the portfolio is expected to perform at a rate greater than an appropriate real estate index or mix of indices as determined by the Board and its consultant.

While the Trustees acknowledge that market conditions can produce periods where such returns are difficult to achieve, the advisor is expected to contribute to meeting the long term objectives of the Plan as well as others set forth in this document.

IV. ASSET ALLOCATION

The Plan is currently classified as a "large retirement system" by Title 47 of Georgia Code and therefore asset allocation is subject to the restrictions for a "large retirement system".

The Board of Trustees has currently adopted the following asset allocation at market value:

	% allocated	Corresponding Index
Domestic Stocks	55.0%	Russell 3000 Index
Domestic Bonds	20.0%	Barclay's Capital Aggregate Bond Index
International Stocks	15.0%	MSCI ACWI Ex-US Index
Real Estate/Real Assets	10.0%	NCREIF ODCE/NCREIF Timber/Etc.

Although cash is not included in the asset allocation of the Plan, the Pension Board realizes the need to provide liquidity to pay obligations as they come due. Surplus cash flows, additional contributions, and investment manager cash will be utilized to pay obligations of the Plan and periodic re-balancing of the assets. The Plan's investment manager(s) shall be kept informed of the liquidity requirements of the Plan, and to the extent possible, avoid untimely sales of assets which could be detrimental to the performance of the Plan. Asset allocation will be reviewed on a quarterly basis and may be rebalanced in order to keep the Plan in-line with the above asset allocation targets and the asset allocation targets reflected in Section VI below.

V. MANAGEMENT STRUCTURE

The Pension Board, with the assistance of the Pension Board's investment consultant, shall select and monitor appropriate investment management professionals to invest the Plan's assets. This selection process shall include the establishment of specific search criteria, analysis and due diligence review of potential managers, and interviews when appropriate. All investment managers must meet the following minimum criteria:

- Registered as an investment advisor as defined in the Investment Advisors Act of 1940 or be a bank or insurance company affiliate;
- Historical quarterly performance that complies with the parameters established in each search and consistent with the investment strategy under consideration; and
- Demonstrated financial and professional staff stability based on requisite historical company information.

To diversify Plan assets so as to minimize the risk associated with dependence on the success on one enterprise, the Pension Board has decided to employ a multi-manager team approach to investing plan assets.

Investment managers will be employed to utilize individual expertise within their assigned area of responsibility. Each manager will be governed by individual investment guidelines. Separate manager guidelines for each investment manager shall serve as addenda to this Policy. Commingled funds will be governed by the guidelines adopted by said fund and reviewed during the contract negotiation process.

The Pension Board, supported by the investment consultant, may also select mutual funds and commingled funds and collective investment trusts permitted by O.C.G.A. § 47-20-83(23) and (24). The Pension Board recognizes and accepts that mutual fund, commingled fund and collective investment trust investments will be dictated by the investment policies and guidelines of those investments and that, generally, no additional constraints may be imposed on them.

Generally, investments in domestic real estate may only be made through investments in REITs permitted by O.C.G.A. § 47-20-83(22) and commingled funds and collective investment trusts permitted by O.C.G.A. § 47-20-83(24). Real estate investments shall be made through participation in diversified commingled funds or collective investment trusts of domestic real properties. These funds shall be broadly diversified as to property type and geography. As a "large retirement system" under Georgia law, investments in real estate may also be made as "alternative investments," as defined in O.C.G.A. § 47-20-87. Experienced and professional real property investment managers shall manage all real estate investments.

The asset management structure at market value is currently as follows (* denotes commingled fund):

	Target	*Minimum*	*Maximum*
Domestic Stocks	***55.0%***	***45.0%***	***65.0%***
Large Cap:			
Atlanta Capital Mgmt (Active Core LC)	7.5	5.0	10.0
Rhumbline Advisors (Passive S&P 500)	7.5	5.0	10.0
Herndon Capital Mgmt. (Active LCV)	12.0	5.0	15.0
Loomis Sayles (Active LCG)	12.0	5.0	15.0
Mid Cap:			
LMCG (Active MC)	8.0	4.0	12.0
Small Cap:			
Chatham Capital Group (Active SC)	4.0	0.0	6.0
Matarin Capital Mgmt. (Active SC)	4.0	0.0	6.0
Domestic Bonds	***20.0%***	***10.0%***	***30.0%***
Richmond Capital Mgmt. (Core GC)	20.0	10.0	30.0
International Stocks	***15.0%***	***10.0%***	***20.0%***
Developed Markets:			
American Funds EuroPacific Growth Fund *	10.0	5.0	12.5
Emerging Markets:			
LMCG (Emerging Markets) *	3.0	0.0	6.0
Pyramis (Emerging Markets SC) *	2.0	0.0	4.0
Real Estate	***10.0%***	***0.0%***	***15.0%***
J.P. Morgan Strategic Property Fund *	10.0	0.0	15.0

The performance of investment managers will be reviewed on a periodic basis. The performance review will not only include the examination of investment returns, but the risk assumed to achieve those returns. Evaluation of overall investment returns should generally be over a longer period (such as a three (3) year period). Comparisons to appropriate benchmarks, market indexes and manager indexes will be used to evaluate relative performance. Performance reviews will also focus on material changes in the investment manager's organization, such as philosophical or personnel changes, acquisitions or losses of major accounts, etc. Finally, investment managers will also be evaluated for adherence to this Investment Policy and its individual investment guidelines.

VI. BROKERAGE

Investment managers shall use their best efforts to ensure that portfolio transactions are placed on a "best execution" basis. Brokerage transactions should not be directed to any firm if in doing so, taking all factors into consideration, the Plan will incur a disadvantage with respect to the market price of the security. Further, irrespective of any obligations to pay for services engaged by either the investment managers or the Pension Board, only transactions that would normally be made for the Plan in the absence of such obligations should be executed.

VII. WATCH AND TERMINATION POLICY

The Pension Board will use a "watch" list mechanism to express its general discomfort with or loss of confidence in an investment manager. Discomfort may be caused by deficiency in performance, departure of key personnel, material changes in managed assets and clients, financial instability, change in organizational or ownership structure, consultant downgrade, investment strategy or style deviation, contravention of any term or condition of the investment management agreement or investment guidelines or any other issue believed to undermine the Pension Board's confidence in the investment manager.

Based on criteria that are indicators of legitimate relationship and investment performance problems, both qualitative and quantitative criteria of the investment manager shall be monitored on an ongoing basis. Non-compliance with of any quantitative and qualitative criteria specified in the investment manager's individual investment guidelines will trigger a due diligence review and may lead to a recommendation to place the investment manager on "watch" or to terminate the investment manager. This policy does not limit the Pension Board's ability to retain or terminate the investment manager. If the Pension Board determines (with advice from the Pension Board's investment consultant) the investment manager is unlikely (without style drift) to meet the investment manager requirements, the investment manager may be terminated.

VIII. PROXY VOTING

Responsibility for the exercise of ownership through proxy solicitation shall rest solely with the investment managers. Guidelines for voting proxies will be listed in individual manager guidelines. In general, investment managers shall vote all proxies in accordance with their fiduciary responsibilities to the Plan.

IX. INVESTMENT POLICY REVIEW

This Investment Policy will be reviewed on a periodic basis. This review will focus on the continued feasibility of achieving, and the appropriateness of, the asset allocation policy, the investment objectives, policies and guidelines, and the investment restrictions. It is not expected that this Investment Policy will change frequently; in particular, short-term changes in the financial markets should not require an adjustment in the investment strategy.

X. IMPLEMENTATION

All monies invested for the Plan by the investment managers after the adoption of this Investment Policy shall conform to this statement.

Adopted this _______________ day of _________________, 20___

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for: Chatham County Pension Board