INVESTMENT POLICY STATEMENT

For

COLORADO COUNTY OFFICIALS AND EMPLOYEES RETIREMENT ASSOCIATION

Revised April 21, 2017

Prepared with the Assistance of
Innovest Portfolio Solutions LLC

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PLAN SUMMARY

The Colorado County Officials and Employees Retirement Association (CCOERA) is an association of local governments formed pursuant to Colorado Statute (C.R.S. § 24-54-101 et seq.) to provide a retirement system for an Association of Colorado counties, municipalities, and special districts.

The CCOERA Retirement Plan is a formal pension plan adopted to provide income after retirement for eligible officials and employees of member counties, municipalities and special districts. Retirement benefits through CCOERA's plan are in addition to those provided under the Federal Social Security system.

The retirement plan adopted by CCOERA is established pursuant to I.R.C. 401(a) and is termed a "defined contribution" plan.

Pursuant to state statute, the mandatory contribution made by the employing entity must be matched by the employee. The Retirement Plan provides for a minimum contribution of 3% with no maximum limit.

A "voluntary contribution" can be made by payroll deduction, after federal and state taxes have been paid on the compensation, i.e. this contribution is made from "after-tax" dollars.

The maximum allowable contribution that a participant may make is an additional 10% of the person's yearly gross compensation.

In addition, CCOERA also offers entities the option of adopting its Deferred Compensation Plan established and administered pursuant to section 457 of the Internal Revenue Code. Contributions to this plan are made from "before-tax dollars." Due to changes made to the tax code by The Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), annual contribution rates are as follows:

Year	Amount
2011	$16,500
2012	$17,000
2013	$17,500
2014	$17,500
2015	$18,000
2016	$18,000
2017	$18,000

Key Information

Name of Plan: Colorado County Officials and Employees Retirement Association (CCOERA) Retirement Plan and Deferred Compensation Plan

Plan Sponsor: Colorado County Officials and Employees Retirement Association
751 SouthPark Drive
Littleton, CO 80120

Plan Record keeper: Empower Retirement
8515 E. Orchard Road
Greenwood Village, CO 80111

Association IRS Tax Identification: 84-6070776

Governing Board

- 2 members non-elected county employees elected by County Employees
- 2 members are registered electors of Member Counties chosen by the Board(s) of County Commissioners whose Counties are Association Members
- 2 members are representatives of a municipal or political subdivision Participating Employer and shall be elected by those employers
- Treasurer of the most populous county

Type of Plan: 401(a), 457

Current Net Assets (as of December 31, 2016):	$1,442,121,910
Participant Directed Investment Options:	Yes
Frequency to Change Investment Options:	Daily
Self-Directed Brokerage	Yes

Investment Options:

International Equity
Small Cap Equities
Mid Cap Equities
Large Cap Equities
Real Estate Investment Trusts
Target Date Portfolios
Core Fixed Income
High Yield
Money Market
Book Value

PURPOSE OF INVESTMENT POLICY STATEMENT

The purpose of this Investment Policy Statement (IPS) is to assist the Colorado County Officials and Retirement Association (CCOERA) Governing Board (Board) in effectively supervising, monitoring and evaluating the investment options of CCOERA plan assets. The Board has the authority to establish and monitor the menu of alternative variable investment assets and oversee the investment of CCOERA Book Value assets. The CCOERA investment program is defined in the various sections of the IPS by:

- Stating in a written document the Board's attitudes, expectations, objectives, and guidelines in the investment of all CCOERA assets.

- Setting forth an investment structure for managing all CCOERA plan assets. This structure includes various asset classes and investment management styles designed to give Participants the ability to produce a sufficient level of overall diversification and total investment return over the long-term.

- Developing a strategy to provide for dynamic, competitive solutions, innovative option design, and vendor flexibility to help ensure that participants are given the necessary framework to meet their goals.

- Providing guidelines for each investment portfolio that controls the level of overall risk and liquidity assumed in that portfolio so that all CCOERA assets are managed in accordance with stated objectives.

- Encouraging effective communications between the Board, Executive Director, the investment consultant, the investment managers/mutual funds, and the participants.

- Establishing formalized criteria to monitor, evaluate and compare the performance results achieved by the investment managers/mutual funds on a regular basis and provide a method by which changes are made.

- Complying with all fiduciary, prudence and due diligence requirements that experienced investment professionals would utilize, and with all applicable laws, rules and regulations from local and state political entities that may impact CCOERA assets.

This IPS has been arrived at upon consideration by the Board of the financial implications of a wide range of policies, and describes the prudent investment process that the Board deems appropriate.

STATEMENT OF ASSOCIATION OBJECTIVES

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

(1) To have the ability to pay all benefit and expense obligations.

(2) To maintain flexibility in meeting the future needs of the participants.

(3) To maximize return within reasonable and prudent levels of risk by providing investment options which cover a broad range of risk and return characteristics.

(4) To control costs of administering the plan and managing the investments.

(5) To undertake all transactions solely in the interest of the participants and beneficiaries.

In general, it is understood that all benefit, funding, accounting, and investment policies reflect current and foreseeable economic and market conditions, as well as any applicable accounting and statutory requirements. It is intended that this policy statement be reviewed, and updated at least annually. Any change to the IPS will be communicated in writing on a timely basis to all interested parties.

INVESTMENT RESPONSIBILITIES

The Board is responsible for the prudent administration of CCOERA with specific responsibilities which include: Design of plan investment platform; establishing investment policy objectives and guidelines; prudent selection of investment managers/mutual funds; and ongoing monitoring. The Board shall contract with a consultant to assist in these responsibilities.

Delegation of Authority

The Governing Board of CCOERA is a fiduciary, and is responsible for providing the investment framework and monitoring the investment management of CCOERA assets. As such, the Board is authorized to delegate certain responsibilities to professional experts in various fields. These include, but are not limited to:

1. Investment Management Consultant (Consultant). The Consultant may assist the Board in: analyzing current position, designing optimal structure, formalizing investment policy, implementing policy, and monitoring and supervising.

2. Investment Manager (Manager)/Mutual Fund. The Investment Manager has discretion to purchase, sell, or hold the specific securities or products that will be used to meet CCOERA's investment objectives. Investment Managers include mutual funds.

3. Custodian. The Custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by CCOERA, collect dividends and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The Custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of CCOERA accounts.

4. Additional specialists such as attorneys, auditors, actuaries, administrators and others may be retained by the Board to assist in meeting its responsibilities and obligations to administer CCOERA assets prudently.

5. Third Party Administrator/Recordkeeper. A "TPA"/recordkeeper will track individual participant balances and process participant contributions, disbursements, and transfers. The recordkeeper will reconcile participant balances with trust account balances to maintain alignment. The recordkeeper will also perform testing and produce management reports that ensure Plan compliance with all laws and regulations.

The Board will delegate day to day investment decisions to investment managers/mutual funds and they will be held responsible and accountable to achieve the objectives herein stated.

If such experts retained are also deemed to be fiduciaries, they must acknowledge such in writing. All fees for such experts must be customary and reasonable, and may be borne by CCOERA as deemed appropriate and necessary.

Responsibility of Participants

Using the basic principles of strategic asset allocation, select a combination of managers based on the participant's unique time horizon, risk tolerance, return expectation, and asset class preferences.

Responsibility of the Investment Consultant (Consultant)

The investment consultant's role is that of an advisor to the Governing Board of CCOERA. Investment guidance concerning the investment management of CCOERA assets will be offered by the consultant, and will be consistent with the investment objectives, policies, and constraints as established in this statement. Specific responsibilities of the consultant may include:

1. Assisting in strategic planning and asset allocation strategies.
2. Assisting in the development and periodic review of investment policy.
3. Evaluate products and services and conduct manager searches as needed.
4. Coordinate and negotiate custody, brokerage and other investment related vendors.
5. Monitoring the performance of the investment managers to provide the Board with the ability to determine the progress toward the investment objectives.
6. Notify the Board of an investment manager's/mutual fund's failure to meet performance criteria and recommend corrective action.
7. Communicating matters of policy, investment manager/mutual fund research, and investment manager/mutual fund performance to the Board.
8. Reviewing CCOERA investment history, historical capital markets performance and the contents of the IPS with any newly appointed members to the Board.
9. Reporting, on a timely basis, quarterly investment performance results.
10. Analyze and review Participant communication program, as needed or requested.

GUIDELINES AND INVESTMENT POLICY

Time Horizon

Since the accounts are participant directed, there is no time horizon expressed for the total fund. Choices will be offered that provide participants with a wide variety of time horizons depending on the participants' unique needs. However, since retirement funding is the most important retirement goal, there is a desire to have quality investment alternatives that can provide participants with favorable long-term returns.

Risk Tolerances

The Board recognizes the difficulty of achieving the Plan's investment objectives in light of the uncertainties and complexities of the investment markets. The Board also recognizes that some risk must be assumed to achieve CCOERA's long-term investment objectives.

In establishing the risk tolerances of the IPS, the ability to withstand short and intermediate term variability were considered. To minimize these risks, any investment decisions will be viewed with a goal of diversification in an attempt to control risks and minimize losses. The Board has made a conscious decision to provide participants with a broad array of investment choices so they have alternatives that provide a variety of risk and return levels regardless of time horizon. The Board will continually make available an educational process for CCOERA participants so they are informed of their fund alternatives and investment techniques based on contemporary investment theory.

Performance Expectations

Over a complete business cycle, each Investment Option's overall annualized total return, after deducting for advisory, money management, and custodial fees, as well as total transaction costs, should perform above the median of portfolios of similar style. The Board will continually monitor and review investment managers.

Asset Allocation Constraints

The Board believes that CCOERA's risk and liquidity posture are, in large part, a function of asset class mix. The Board has reviewed the long-term performance characteristics of various asset classes, focusing on balancing the risks and rewards of market behavior. Ten asset classes were selected:

- Domestic Equities
- Domestic Fixed Income
- Cash & Equivalents
- International Equities
- Stable Value Assets
- High Yield
- Real Estate Investment Trusts
- Hedge funds
- Commodities
- Master Limited Partnerships

In addition to the broad asset classes, options will be diversified to allow participants to choose from a broad range of equity capitalization and fixed income maturities.

Investment Options

In order to provide appropriate investment alternatives for the participants, investment choices will be made available that provide a wide range of risk and return characteristics. Asset and sub-asset class options were selected by the Board based on historical performance of the asset class, the complementary nature of the asset class relative to other asset classes, and the risk/reward characteristics of each asset class. Each alternative will be uniquely different to aid in proper diversification and will be chosen without regard to investment manager/mutual fund family affiliation. The investment managers/mutual funds are designed to fulfill the following investment categories and objectives:

Book Value Fund**:** A product that may hold Guaranteed Investment Contracts, Insurance Company Separate Accounts and Security Backed Contracts (Synthetic GICs) issued by major financial institutions. The Fund may also hold cash or cash equivalents, bonds (including U.S. Government Treasuries and Agencies, Corporates, Asset Backed Securities, Mortgage Backed Securities, and Taxable Municipals), and units in stable value or bond collective trust funds. The Fund seeks to provide safety of principal and a stable credited rate of interest while generating competitive returns compared to other conservative fixed income alternatives such as money market funds or short term yields available in the fixed income (bond) market.

Money Market Fund**:** A product that invests in low risk highly liquid short-term financial instruments. The average portfolio maturity is typically 30 to 60 days.

Core Fixed Income**:** A fixed income (bond) strategy that constructs portfolios to approximate the investment results of the Barclay's Capital Aggregate Bond Index with a modest amount of variability in duration around the index. The objective is to achieve value added from sector or issue selection.

High Yield**:** A below investment grade (<BBB) fixed income portfolio with an objective of obtaining high current income and investment results similar to the Barclay's Capital High Yield Corporate Index. Due to the increased level of default risk, security selection focuses on credit-risk analysis.

Large Cap Core Equity**:** An investment strategy where the portfolio's characteristics are similar to that of the S&P 500 Index, with the objective of adding value over and above the index, typically from sector or issue selection.

Large Cap Growth Equity**:** An investment strategy where the portfolio's characteristics are similar to that of the S&P 500 Growth Index, with the objective of adding value over and above the index, typically from sector or security selection. A strategy will typically invest in large companies greater than $10 billion market capitalization that exhibit growth characteristics, such as above average prospects for long-term growth and profitability.

Large Cap Value Equity**:** An investment strategy where the portfolio's characteristics are similar to that of the S&P 500 Value Index, with the objective of adding value over and above the index, typically from sector or security selection. A strategy will typically invest in large companies greater than $10 billion market capitalization that exhibit value characteristics, such as below average valuations (e.g., Price-to-Book Value, Price-to-Earnings, Price-to-Cash Flow) and above average dividend yields.

***Mid Cap Core Equity*:** An investment strategy where the manager invests mainly in mid-capitalization companies ranging between $2 billion and $10 billion market capitalization, which contain both growth and value characteristics. Portfolio performance and characteristics, including weighted average market cap, valuations, and sectors, should closely track the CRSP U.S. Mid Cap Index.

***Mid Cap Growth Equity*:** An investment strategy where the portfolio's characteristics are similar to that of the Russell Mid Cap Growth Index, with the objective of adding value over and above the index, typically from sector or security selection. A strategy will typically invest in medium sized companies greater between $2 and $10 billion market capitalization that exhibit growth characteristics, such as above average prospects for long-term growth and profitability.

***Small Cap Core Equity*:**
An investment strategy where the manager invests mainly in small-capitalization companies, ranging between $100 million and $2.5 billion market capitalization, which contain both growth and value characteristics. Portfolio performance and characteristics, including weighted average market cap, valuations, and sectors, should closely track the CRSP U.S. Small Cap Index.

***Small Cap Value Equity*:** An investment strategy where the portfolio's characteristics are similar to that of the Russell 2000 Value Index, with the objective of adding value over and above the index, typically from sector or security selection. A strategy will typically invest in small companies between $100 million and $2 billion market capitalization that exhibit value characteristics, such as below average valuations (e.g., Price-to-Book Value, Price-to-Earnings, Price-to-Cash Flow) and above average dividend yields.

***General Equity*:** An investment strategy where the portfolio's characteristics are similar to that of the S&P 1500 Completion Index, with the objective of adding value over and above the index, typically from market capitalization, sector, or security selection. A product invested in companies with a range of market capitalizations and styles based on potential for total return, both capital appreciation and dividend income.

***International Growth Equity*:** A product with well-diversified portfolio holdings processing a majority of issues in developed countries with liquid markets, resulting in characteristics similar to that of the MSCI EAFE Growth Index. Investments shall be made in companies believed to possess above average prospects for long-term growth and profitability.

***International Value Equity*:** A product with well-diversified portfolio holdings that are mostly large issues in developed countries with liquid markets, resulting in characteristics similar to that of the MSCI EAFE Value Index. Investments shall be made in companies believed to be undervalued or possessing lower than average
valuations (e.g., Price-to-Book Value, Price-to-Earnings, Price-to-Cash Flow) and above average dividend yields.

***Real Estate Investment Trusts*:** An investment strategy where the portfolio characteristics are similar to the DJ Wilshire Real Estate Index. A strategy will typically invest in companies, whose primary business is to own or operate commercial real estate such as such as office buildings, apartment buildings, shopping centers, warehouses and hotels.

***Target Date Portfolios*:** Target Date Portfolios are designed to automatically become more conservative over time as a participant approaches a certain retirement date. Each target date portfolio is named with a retirement date. The objective of each portfolio is to maximize return while minimizing expected portfolio volatility.

The Custom Target Date Portfolios are broadly diversified asset allocation strategies that are guided by the amount of risk a participant should assume given their proximity to retirement age. The glide path shape is designed to be a “Through” solution as opposed to a “To.” This policy is better equipped to address longevity risk, provides an attractive option for participants to keep assets in the Plan during retirement, and limits asset leakage granting continued access to institutional pricing and ongoing objective oversight.

The glide path is constructed by observing the median downside risk assumed by a number of mutual fund target date managers at each vintage. The funds have been vetted by the Innovest Due Diligence Committee and cover a reasonably broad spectrum of risk exposure.

The Portfolios are then optimized based upon Innovest’s forward looking capital market assumptions, matching the median downside risk at the 95th percentile for each vintage, but using an optimal mix of assets, best-in-class asset manager selection, and incorporates the use of alternative investments. The asset mix for each vintage will be revisited during the annual Asset Allocation Study, at which point the vintages may move further down the glide path, reducing downside risk. This policy has the ability to include passive managers with lower expenses, along with active managers in strategies exhibiting stronger likelihood to outperform benchmarks.

The portfolios focus on risk-assets during the accumulation phase, mitigate sequence of returns risk with larger allocations to hedged equity and credit during transition phase, and culminate with an Income portfolio that is largely focused on protecting capital. Ultimately, the process encourages a thoughtful, reasonable approach to providing Target Date Portfolios that incorporate various investment styles and better allow fiduciaries to fulfill their obligation to monitor underlying investments.

In addition, the following strategies were elected for utilization in the Target Date Portfolios only:

*Floating Rate Corporate Loans***:** A fixed income investment strategy that invests in below investment grade floating rate bank loans, seeking to outperform the CSFB Leveraged Loan Index through credit and sector selection. The interest rates on these loans are typically reset on a periodic basis to account for changes in the level of interest rates.

Commodities: Investment vehicles that gain exposure to commodity price movements (e.g. changes in the price of oil, corn, gold, etc.) primarily through the use of futures, swaps and other commodity-linked securities. A strategy may seek to add value through commodity selection, contract maturity selection, or collateral management in an effort to add value over the Bloomberg Commodity Index.

***Low Correlated Hedge Funds*:** The liquid low correlated hedge funds provide a return stream that has a low correlation to general movements in both the equity and fixed income markets. The funds are diversified across a number of investment strategies designed to generate positive performance in all types of market conditions but not guaranteed. Strategies include but are not limited to long/short equity, market neutral equity, convertible arbitrage, global macro, long/short credit and distressed debt.

Master Limited Partnerships (MLP): Master Limited Partnerships (MLPs) are primarily engaged in the transportation and storage of natural resources. Midstream MLP operations may be broadly grouped into four categories: pipelines, terminals/storage, marine transportation and midstream services. These categories may be further delineated by product types, including crude oil, heating oil, refined petroleum products, natural gas liquids, propane, ammonia, and coal. Despite their relatively steady cash flows, MLPS have moderate to high volatility as measured by their standard deviation.

Emerging Markets Equity: An investment strategy where the manager invests in equities of companies believed to have strong, sustainable financial productivity at attractive valuations. Additionally, the manager typically invests its assets in securities of companies whose principle business activities are located in emerging market countries, but focuses on companies in Latin America, the Pacific Basin and Eastern Europe.

SECURITIES GUIDELINES FOR THE BOOK VALUE FUND

The Board has entered into a contract with Galliard Capital Management (Galliard), a Registered Investment Advisor, to manage a fund valued at “book” rather than market (the “Book Value Fund”). The investment objective of the Book Value fund is to provide a level of income, in excess of U.S. Treasury yields of comparable duration, at a consistent rate of return with preservation of capital as the number one priority. It is the intent of the Board to provide a method of investment subject to book value accounting, rather than market-value accounting, thereby significantly reducing the volatility seen in other fixed income investment instruments as a result of interest rate changes.

Asset Allocation. Galliard has determined the target allocation for the Book Value Fund to be as follows:

A. SECTOR

Fund Level	Minimum Weighting	Maximum Weighting
Liquidity* (M. Mkts./SV Fund)	0%	50%
GICs	0%	40%
Managed Synthetics**	50%	100%

*The Liquidity Buffer may consist of a money market fund or similar short-term investment fund (STIF) and/or a stable value fund. It is understood that cash flows may create exceptions to the minimum or maximum allocation weightings above, which will not be considered to be violations of these guidelines. In the event that cash flows result in such a variance, the manager will make reallocations as permitted under the Managed Synthetics to bring the portfolio in line with these guidelines. Contract limitations may prohibit such rebalancing, in which case the manager will notify the client that the allocations may be exceptions for an extended period of time.

**All individual asset portfolios must have book value wrap contracts in place. Insurance Company Separate Accounts are included in the Managed Synthetics component. No single wrap provider or insurance company separate account shall hold more than 25% of the Book Value Fund’s assets. No more than 30% can be in Insurance Company Separate Accounts.

Underlying Asset Level	**Minimum Weighting**	**Maximum Weighting**
U.S. Government/Agency	0%	100%
Corporates/Municipals	0%	50%
Asset Backed	0%	25%
Mortgage Backed	0%	70%
Non-U.S. Issuers (U.S. $ only)	0%	30%

***Guaranteed Investment Contract Limits*.**
No more than 3% of the aggregate portfolio will be invested in traditional GIC/BICs from any one contract issuer. No GIC may exceed 7 years in duration.

***Corporate Bond Limits*.**
No more than 3% of the aggregate portfolio will be invested in any one corporate security issuer.

***Other Asset Limits*.**
No more than 10% of the aggregate portfolio will be invested in securities of any single non-U.S. Government issuer, ABS issuing trust, or non-Agency MBS issuing trust.

Certificates of Deposit – Investments may be made in bank Certificates of Deposit that are fully collateralized pursuant to state law. No more than 15% of the total Book Value Fund may be placed with any one banking institution. No Certificate of Deposit may exceed ten years in duration.

Use of externally advised fixed income portfolios
The Board has authorized Galliard Capital, as overall stable value manager, to utilize fixed income strategies advised by managers other than Galliard ("Externally Managed Portfolios"). Allocations to Externally Managed Portfolios may be through either Managed Synthetics (which may utilize underlying collective investment trusts) or Insurance Company Separate Accounts. Galliard will confirm that, in the aggregate on a weighted average basis, the overall Securities Guidelines for the Book Value Fund are being satisfied as of the end of each calendar month. Investments in short-term investment funds, money market mutual funds and certain short-term investment grade securities shall be categorized as Cash and Cash Equivalents.

Allocations to the externally managed portfolios will be reviewed at least annually for possible rebalancing. Due to the nature of the book value portfolios, annual, automatic rebalancing will not be required. Initial external portfolio manager targets are 14% allocated to New York Life and 10% each to Dodge & Cox and TCW. However if during the at least annual review, it is determined that an external manager allocation is more than 5% off the initial portfolio allocation targets (or updated targets as agreed to with the Board and the Investment Consultant, Galliard will supply the Board and Investment Consultant with recommendations around current allocations to the Book Value Fund.

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B. QUALITY

Contract Level
The minimum weighted average quality of the contracts will be maintained at A1/A+. Wrap providers must be rated at least A3/A- by at least one Nationally Recognized Statistical Rating Organization (“NRSRO”) at time of initial placement.

Underlying Asset Level
All securities will be rated investment grade at time of purchase by at least one Nationally Recognized Statistical Rating Organization (“NRSRO”). The minimum weighted average quality of the underlying assets will be maintained at AA-/Aa3.

C. DURATION

The overall duration of the Book Value Fund (including the Liquidity Buffer and cash/cash equivalents) shall be limited to a maximum of 3.5 years. Duration will be calculated using a contract value weighted average duration.

D. PERMISSIBLE SECURITIES*

1. U. S. Treasury notes, bonds, bills
2. U.S. Federal Agency Securities
3. Asset-backed securities
4. Corporate notes, bonds, and debentures, including domestic and foreign issuers (Yankee bonds), and securities issued under Rule 144A
5. Mortgage-backed securities
6. Mortgage pass through securities
7. Municipal securities
8. Forward purchase agreements
9. U.S. Treasury futures and Euro-dollar futures Agreements
10. Federal Funds
11. Repurchase Agreements
12. Money market instruments
13. Direct Commercial Backed Mortgage Loans
14. Guaranteed Investment Contracts and Bank Investment Contracts
15. Collective Investment Trusts/Pooled Insurance Separate Accounts

* All securities will be U.S. dollar denominated only.

E. ADDITIONAL RISK MANAGEMENT GUIDELINES

Credit Quality

In the case of a split rating on securities and contracts, the higher rating shall apply.

For securities downgraded below investment grade, the manager may retain the security, if in the judgment of the manager, it is appropriate to do so subject to a maximum of no more than 5% of the portfolio's assets in issues below BBB-.

Portfolio Leverage and Derivatives

The portfolio may not be leveraged. Derivatives may be used to hedge portfolio or manage portfolio duration and cannot be used to leverage the portfolio in any manner or for speculative purposes. Any derivative products in the portfolio will be included in all measures of portfolio performance, including yield, duration, and convexity.

The portfolio may purchase securities for forward delivery as long as the position is fully incorporated in calculating the portfolio's duration.

The portfolio may purchase securities on a when-issued basis as long as the position is fully incorporated in calculating the portfolio's duration. Cash or cash equivalents must be held to meet forward commitments including mortgage rolls.

LIQUIDITY POLICY FOR THE BOOK VALUE FUND

***Introduction*.** The Board recognizes that a high allocation of cash will reduce the return of the Book Value Fund, and accordingly has established the allocation guidelines of the Book Value Fund as set forth above. The Board also understands that "book value" treatment of the fund is provided because the investments are not sold on any publicly traded market.

***Liquidity*.** The fund is 100% benefit responsive so there is daily liquidity

The CCOERA Retirement Plan (the Plan) does not permit any distributions to the following Participants and Participating Employers (except as noted below): a) Participants of former Participating Employers that are no longer participating in the Plan, b) Participants whose Participating Employer is currently withdrawing its participation in the Plan and c) Participating Employers who are currently withdrawing their participation in the Plan. Therefore, since no distribution is permitted to these persons and entities, these Liquidity provisions do not apply to them.

However, these Liquidity provisions do apply to: a) Participants who have or are in the process of terminating their employment with a former Participating Employer or Participating Employer and b) a Former Participant or Participant who is deceased.

SELECTION OF INVESTMENT MANAGERS/MUTUAL FUNDS

The Board, with the assistance of the consultant, will select appropriate investment managers/mutual funds to manage the plan assets. The following minimum criteria must be met:

(1) A bank, insurance company, investment management company, or investment adviser as defined by the Registered Investment Advisers Act of 1940 will be utilized.

(2) Historical quarterly performance numbers calculated on a time-weighted basis, based on a composite of all fully discretionary accounts of similar investment style will be utilized for performance screening.

(3) Performance evaluation reports that illustrate the risk/return profile of the investment manager/mutual fund relative to others of like investment style will be utilized.

(4) Detailed information on the history of the firm, key personnel, key clients, costs, and support personnel will be analyzed.

(5) The investment strategy that will be followed must be described and documented that the strategy has been successfully and consistently adhered to over time.

(6) Internal expenses of each investment manager/mutual fund preferably should be below median versus products of a similar style.

(7) Investment managers/mutual funds will be compared against a comparable peer group for selection.

CONTROL PROCEDURES

Duties and Responsibilities of the Investment Managers/Mutual Funds

The duties and responsibilities of each investment manager/mutual fund retained by the Board include the following:

(1) Managing CCOERA assets under its care, custody and/or control in accordance with the prospectus, or similar disclosure document. It is the responsibility of the consultant to review prospectuses or such similar documents for compliance.

(2) Exercising investment discretion [including holding cash equivalents as an alternative] within the IPS objectives and guidelines set forth herein.

(3) Promptly informing the Board in writing regarding all significant and/or material matters and changes pertaining to the investment of CCOERA plan assets, especially as they relate to the stated investment philosophy and investment management decision process. For mutual funds, it is the consultant's responsibility to inform the Board of any material changes. These factors include, but are not limited to:

a. Investment strategy
b. Portfolio structure
c. Tactical approaches
d. Ownership
e. Organizational structure
f. Financial condition
g. Professional staff
h. Recommendations for guideline changes
i. Internal expenses and management costs
j. All legal material, SEC and other regulatory agency proceedings affecting the firm.

(4) Utilize the same care, skill, prudence and due diligence under the circumstances then prevailing that experienced, investment professionals acting in a like capacity and fully familiar with such matters would use in like activities for like retirement plans with like aims in accordance and compliance with IRS regulations and all applicable laws, rules and regulations from local, state, federal and international political entities as it pertains to fiduciary duties and responsibilities.

(5) Acknowledge and agree in writing to their fiduciary responsibility to fully comply with the entire IPS set forth herein, and as modified in the future. Mutual funds will acknowledge fiduciary responsibility by prospectus.

DISCLOSURE TO PARTICIPANTS

The plan chooses to adhere to the following guidelines:

1. The plan will offer at least three diversified investment options each with materially different risk and return characteristics;

2. Participants will be allowed to transfer among the investment options as often as appropriate considering the market volatility of the investment alternative. Currently, CCOERA offers daily transfers;

3. Sufficient information will be available to participants so they can make informed investment decisions.

In order to ensure that participants have sufficient information to make informed investment decisions, upon request, the following disclosures will be made to all participants:

- an explanation that the fiduciaries of the plan may be relieved of liability for any losses which are the direct and necessary result of investment instructions given by participants;

- a description of investment alternatives, including their investment objectives, risk and return characteristics, and level of diversification;

- an explanation of when and how participants may give investment instructions, including any restrictions on transfers or on the exercise of voting, tender and similar rights;

- transaction fees and expenses, such as sales commissions or redemption fees, that are charged to the participant's account;

- identification of the plan fiduciary or agent who will provide the participant additional information on request and the type of information which is available on request;

- a copy of the most recent prospectus will be provided upon request;

- The identification of any designated investment managers/mutual funds with control of plan assets.

Additional disclosures that will be provided upon request are:

1. A description of the annual operating expenses of each investment vehicle including the investment management and other fees, which are charged to the investment vehicle thereby reducing its rate of return;

2. A list of assets included in each investment vehicle and the value of each asset. For GIC and similar investments, identification of the issuer of each contract, its maturity date and its investment rate;

3. Performance data for each investment vehicle, net of expenses, presented over reasonable periods of time calculated in a reasonable and consistent manner;

4. The participant's account balance as of the last valuation date (but not more frequently than quarterly).

In addition, participants will be provided education/communication on capital markets, contemporary investment theory, and general concepts in retirement planning. CCOERA will provide individual retirement or investment counseling to participants, however, as a Plan fiduciary, no specific advice will be rendered. Upon request, this Investment Policy Statement will be made available to all participants. Every effort will be made to ensure that all participants regardless of whether or not they are current employees receive all correspondence regarding plan developments and changes.

TARGET DATE PORTFOLIO FUNDS

CCOERA offers 12 target date portfolios (the "Target Date Portfolios"), which are open for investment effective June 27, 2016. The Target Date Portfolios invest in other investment options offered by CCOERA rather than directly in a portfolio of securities. Target Date Portfolios are diversified among various asset classes, and each reflects a different degree of potential investment risk and rewards.

Participants may choose to invest in any one of Target Date Portfolios and should give careful consideration to retirement date, personal objectives, risk tolerances, desire for long-term vs. short-term investments, and individual financial circumstances.

<u>Custom Target Date Portfolio Overview Statement</u>

The Custom Target Date Portfolios are broadly diversified asset allocation strategies that are guided by the amount of risk a participant should assume given their proximity to retirement age. CCOERA has selected a "Through" solution to glide path design as opposed to a "To." This structure was selected based on the belief it would be better equipped to address longevity risk, provided an attractive option for participants to keep assets in the Plan during retirement, and limited asset leakage granting continued access to institutional pricing and ongoing objective oversight.

The design of the glide path is outsourced to Innovest. The glide path is constructed by observing the median downside risk assumed by a number of well-known and high quality mutual fund target date managers at each vintage. The funds have been vetted by the Innovest Due Diligence Committee and cover a reasonably broad spectrum of risk exposure. The Portfolios are then optimized based upon Innovest's forward looking capital market assumptions, matching the median downside risk at the 95th percentile for each vintage, but using an optimal mix of assets, best-in-class asset manager selection, and incorporates the use of alternative investments. The asset mix for each vintage will be revisited during the annual Asset Allocation Study, at which point the vintages may move further down the glide path, reducing downside risk.

The portfolios focus on risk-assets during the accumulation phase, seek to mitigate risk with larger allocations to hedged equity and credit during transition phase, and then transition to an Income portfolio that is largely focused on protecting capital.

Fees and Expenses: There is no additional fee or charge for this asset allocation service. However, Participants will indirectly bear the proportionate share of the fees and expenses of each Portfolio's underlying investments, i.e., the fees and expenses of the other funds making up the Portfolio. These indirect costs consist of the administration fee paid to CCOERA, as well as the normal underlying management fees of each fund.

Asset Allocation: The allocation of each Target Date Portfolio among asset classes has been established by CCOERA's investment management consultant, under the supervision of CCOERA's Governing Board, and will be reviewed on at least an annual basis.

Modifications to the Target Date Portfolios: Any changes made in the underlying CCOERA investment options, such as manager or benchmark changes, will affect the Target Date Portfolios that invest in the underlying funds. CCOERA may, alter the asset allocation of one or more Target Date Portfolios. Participants will be informed of any such alteration.

Rebalancing: If one fund of a particular Target Date Portfolio out-performs another fund over any given period, the Target Date Portfolio will become "out of balance". For example, if a stock fund of a Target Date Portfolio outperforms the bond fund, the percentage allocation of the stock fund will increase beyond the predetermined allocation. It is expected that the percentage allocations will experience minimal drift from the predetermined allocation and, to the extent such drift does occur, it is more likely to be experienced in the more aggressive Target Date Portfolios.

CCOERA monitors the performance and percentage allocation of each Target Date Portfolio carefully on an ongoing basis. As an additional service, at the beginning of each quarter, CCOERA will transfer assets from one component to another in order to rebalance the Target Date Portfolio. Rebalancing will occur automatically each quarter if any component of the Target Date Portfolio gets out of balance.

CONTRIBUTIONS, TRANSFERS AND ALLOCATIONS

For purposes of the following discussion, “business day” means any day the New York Stock Exchange and CCOERA are both open for business. See “Inability to Conduct Business.”)

Contributions: Employers may submit contributions to CCOERA’s Recordkeeper, Empower as often as once every two weeks. Contributions money may be transmitted by check, wire, and Automated Clearing House. Contribution detail must be submitted on hardcopy, diskette, or electronically via e-mail. Contributions received in good order by 2:00 p.m. Eastern Time on a business day are posted to Participant accounts not later than 5 business days after receipt at the closing NAV of that posting day. Contributions received in good order after 2:00p.m. Eastern Time is posted not later than 6 days after receipt at the closing NAV of the posting business day.

Posting contributions to Participant accounts is contingent upon submission of contributions in good order to Empower. This means that contribution submittals must be accompanied by sufficient detail to enable Empower to allocate properly to Participant accounts. If a contribution is not received in good order, the deposit is held, without interest, until all necessary information is received.

Contributions received for Participant accounts for which complete investment instructions are lacking to allocate contributions among the investment alternatives will be invested in the Target Date Portfolio most closely associated with the Participant’s age. Participants may subsequently transfer those assets as desired.

Transfers and Allocations Among Funds: Subject to certain restrictions (see “Special Restrictions on Transfers”), Participants may submit transfers daily in writing or by telephone by calling CCOERA’s automated voice-response system at 1-800-352-0313; or by internet access at www.ccoera.org.

Transfer and allocation instructions received in good order by 2:00 p.m. Eastern Time on a business day are posted to Participant accounts not later than 5 business days after receipt at that posting day’s closing NAV. Transfer instructions received after 2:00 p.m. Eastern Time will be posted not later than 5 business days after receipt at the closing NAV of the posting day.

Allocation of new contributions among the Funds may be changed by Participants without charge or limitation.

Participants should verify the accuracy of transfers or allocations immediately upon receipt of the confirmation notice. If notice of error is not received by Empower within 90 days of the last calendar quarter it will be presumed conclusive. Any errors reported after this time period will be processed from date of notification forward and not on a retroactive basis.

Electronic Transfers: Participants may make daily fund transfers through our automated voice-response system or by internet access. Empower will require that instructions received through either of those options be accompanied by a Personal Identification Number. Written confirmations will normally be sent to Participants on the next business day after the day the transactions occur. Participants should verify the accuracy of electronic transfers immediately upon receipt of the confirmation notice. In case of errors or omissions relating to the Participant's account, the Participant must notify Empower promptly. Upon the Participant contacting Empower, Empower will promptly research the transaction and correct any errors made by Empower.

Special Restrictions on Transfers:
(The Target Date Portfolio Funds are not affected by these restrictions.)

Book Value Fund
Direct transfers from the Book Value Fund to competing options require participants to transfer to a non-competing fund for 90 days prior to transferring into the competing fund. Competing funds include the money market fund. Transfers to all other funds are unlimited.

Transfer among other funds is unlimited. These restrictions do not apply to distributions. Redemption fees may apply to certain mutual funds. See fund prospectus for details.

MONITORING OF INVESTMENT MANAGERS/MUTUALFUNDS

Quarterly performance will be evaluated to test progress toward the attainment of longer term targets. It is understood that there are likely to be short term periods during which performance deviates from market indices. During such times, greater emphasis shall be placed on peer group comparisons with investment managers/mutual funds employing similar styles.

The performance of the Board's investment managers/funds will be monitored on an ongoing basis. The Board may place a manager/fund on a "Watch List" at any time or terminate a manager/fund at any time.

Managers/funds may be terminated or placed on a "Watch List" for a variety of reasons. These can be separated into two broad categories-qualitative and quantitative factors. The former focuses on personnel, organizational and legal issues while the latter addresses performance.

Placing a manager/fund on the "Watch List" is an intermediate step towards either resolving the problem or terminating the manager/fund. Manager/funds may only be removed from the "Watch List" under these two conditions.

Watch List Guidelines-Qualitative Factors

Failing any of the following criteria may create a fail on the performance measurement report.

Watch List Measures-

1. Organization – firm ownership and litigation will be monitored for material changes, such as initial public offerings or SEC violations

2. People – tenure and quality of the investment management team will remain stable, monitoring any material changes to the portfolio management team or firm-wide resources

3. Assets Under Management (AUM) – fund flows are expected to experience less than a 10% change as a percentage of average assets in the strategy from quarter-to-quarter. In addition, for capacity constrained asset classes total AUM will be evaluated.

4. Investment guidelines, process, and style – the investment funds' application of a consistent and repeatable process, as well as deviation from the intended investment mandate will remain stable

5. Performance – performance will require a fail if not in-line with expectations, as measured by cumulative, risk-adjusted, annual, and rolling three-year performance against benchmark and peer groups. (See Exhibit A).

EXHIBIT A

Measure	Definition
Cumulative	Provides a snapshot of average annual performance over three-, five-, seven-, and ten-year periods
Annual	Measures consistency of calendar year performance relative to benchmark and peers
Rolling-Three Year	Measures consistency of longer period performance relative to benchmark and peers
Sharpe Ratio	Measures excess return of an investment for every unit of risk, which is compared against benchmark and peers
Alpha	Measures market adjusted performance of an investment relative to a benchmark. Level of alpha is also compared to peer managers

6. Expense Ratio - the investment funds' net prospectus will not exceed 120% of the median peer group expense

Watch List and Removal:

A Watch List may be created for those funds that fail to maintain the minimum requirements and/or underperform the funds quantitative and qualitative measures. The CCOERA Board's procedures for inclusion of an investment fund to the Watch List and the Removal of an investment fund from the Plan includes the following steps:

1. The CCOERA Board shall be briefed by the Investment Management Consultant at least annually regarding all Funds, and advised at each quarterly meeting on any fund not currently fulfilling the minimum requirements, quantitative, and qualitative measures.

2. Any investment fund that fails to comply with one or more of the quantitative and qualitative measures will be placed on the Watch List, and shall be reevaluated the following quarter.

3. Any investment that appears on the Watch List for four consecutive quarters will receive a "Watch List Report". The Watch List Report shall address the outstanding concerns for the strategy and a recommendation on what action to take. The committee will then determine whether the investment fund shall then be removed from the Plan, frozen to new investments, or remain on the Watch List.

Performance Objectives

Investment performance will be reviewed at least annually to determine the continued feasibility of achieving the investment objectives and the appropriateness of the IPS for achieving those objectives.

It is not expected that the IPS will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the IPS.

On a quarterly basis the Board will meet to focus on:

- Investment manager's/mutual fund's adherence to the IPS guidelines;
- Material changes in the investment manager's/mutual fund's organization, investment philosophy and/or personnel; and,
- Comparisons of the investment manager's/mutual fund's results to appropriate indices, specifically:

Equity:

Large Cap Core:	S&P 500 Index
Large Cap Value:	S&P Large Value
Large Cap Growth:	S&P Large Growth
General Equity:	S&P 1500 Index
Mid Cap Core:	CRSP U.S. Mid Cap TR Index
Mid Cap Growth:	Russell Mid Cap Growth Index
Small Cap Core:	CRSP U.S. Small Cap TR Index
Small Cap Value:	Russell 2000 Value Index

Fixed Income:

Core Fixed:	Barclays Capital Aggregate Index

International Equity:

Growth:	MSCI EAFE Growth Index
Value:	MSCI EAFE Value Index

Emerging Markets Equity:	MSCI Emerging Markets Index
Stable Value:	3 yr. U.S. Treasury Bond Yield (CMT calc.) + 0.50%
Floating Rate Corp. Loans:	CSFB Leveraged Loan Index
High Yield:	Barclays Capital High Yield Index
Commodities:	Bloomberg Commodity Index
Real Estate Investment Trusts:	DJ Wilshire Real Estate Index
Liquid Low Correlated Hedge:	HFRI Fund of Fund Composite Index (Liquidity Adjusted)
Master Limited Partnerships:	Alerian MLP Infrastructure (Tax Adjusted)

- The risk associated with each investment manager's/mutual fund's portfolio, as measured by the variability of quarterly returns (standard deviation), must not exceed that of the benchmark index and the peer group without a corresponding increase in performance above the benchmark peer group.

- The investment manager's/mutual fund's performance relative to managers of like investment style or strategy.

The Board is aware that the ongoing review and analysis of investment managers/mutual funds is just as important as the due diligence implemented during the selection process.

Accordingly, a thorough Review and Analysis of an investment manager/mutual fund will be conducted if any of the following occurs:

- An investment manager/mutual fund performs in the bottom quartile (75th percentile) of their peer group over a quarterly period.
- An investment manager/mutual fund falls in the southeast quadrant of the risk / return scatterplot for 3 and / or 5-year time periods.

Furthermore, performance factors which may require the replacement of an investment manager/mutual fund include:

- Investment managers/mutual funds which perform below the median of their peer group over a three, five, and/or ten year period.

Major organizational changes also warrant immediate review of the investment manager/mutual fund including.

- Change in professionals
- Significant account losses
- Significant growth of new business
- Change in ownership
- Change in process/philosophy
- Change in cost

The performance of CCOERA's investment managers/mutual funds will be monitored on an ongoing basis and it is at the Board's discretion to take action by replacing an investment manager/mutual fund if deemed appropriate at any time.

MONITORING PROHIBITED TRANSACTIONS & COSTS

The Board will review the service contracts and costs associated with the Plan annually especially as they relate to prohibited transactions. Areas to be reviewed include:

- Asset Management: The active management of the fund.

- Custody: The holding of the assets, collection of the income and disbursement of payments.

- Administrative Functions: Administration of the Plan, including recordkeeping, account settlement (participant balance with that of fund), and allocation of assets and earnings.

ANALYZING AND MONITORING INVESTMENT MANAGERS/MUTUAL FUNDS – BEST PRACTICES

The ultimate goal of the evaluation process is to identify those key factors that explain past performance, and more importantly, provide a reasonable basis for believing that a manager/mutual fund will be able to add value going forward. The consultant will be responsible for determining key factors including:

- Intellectual Edge – Does the team have exceptional insight, work experience and/or academic success?
- Strategy Edge – Does the team employ a unique strategy that can capitalize on market inefficiencies?
- Resource Edge – Does the team have more firepower in terms of the total experience of the team, the number of investment professionals or the systems at their disposal?
- Implementation Edge – Does the team have superior trading skills or systems that can enhance performance? Alternatively, does the asset base provide the manager with an advantage when implementing the strategy?

In order to determine where a manager's edge may reside (managers may not have an edge in each area), in addition to performance, the Consultant must evaluate each asset management firm from the top down, with both an organizational evaluation and an evaluation of personnel.

Organizational Evaluation

- History – Understand the history of each firm, paying particular attention to major organizational changes.
- Affiliations – Understand how independent each manager is, and as such, evaluate each manager's affiliations with parent, sibling or subsidiary companies.
- Ownership Structure – Preference toward firms whose investment professionals have significant equity stakes in the company.
- Specialty – Assess the firm's attention and that resources are focused on that specialty.
- Assets, Growth of and Capacity (product and firm wide) – Assess each manager's capacity and growth of assets in order to determine whether or not asset growth may impair the investment strategy. Also assess firm wide asset
- levels and growth in order to get a sense for whether or not the firm is successful and stable.
- Culture – Assess whether a firm's culture promotes the alignment of interests with its investors.
- Regulatory Issues – Review each firm's legal and regulatory history to determine if there is any reason to be concerned with the actions of the firm.

Personnel

- Experience – Evaluate the biographies of all investment professionals involved with the product.

- Structure – Evaluate the roles and responsibilities of all of the investment professionals to understand who is crucial to the process and how the team operates together.
- Tenure/Turnover – Understand team stability, as high turnover can be a sign of a dysfunctional environment and/or below average compensation.
- Personal assets invested in the product – Assess manager's personal assets in the product. The more money a portfolio management team has invested in the product, the greater the alignment of their interests with those of their investors.
- Compensation – Evaluate compensation schemes. Proper compensation should promote solid long-term, risk-adjusted results rather than short term results.

Investment Menu

Self-directed Brokerage	Date added
Charles Schwab	4/17/2006
International Equity	
American Funds EuroPacific Growth	2/23/2012
American Beacon International Fund	10/27/1998
Small Cap Equities	
Vanguard Small Cap Index Fund	6/30/2005
American Beacon Small Cap Fund	7/30/2004
Fidelity Low Priced Stock Fund	1991
Mid Cap Equities	
Artisan Mid Cap Fund	4/10/2002
Vanguard Mid Cap Index Fund	6/30/2005
Large Cap Equities	
Fidelity Contrafund	1991
Vanguard 500 Index Fund	6/30/2005
Harbor Capital Appreciation Fund	4/4/2014
Dodge & Cox Stock Fund	4/4/2014
Neuberger Berman Socially Responsible Fund	8/29/2008
Core Fixed Income	
Met West Total Return Fund	2/2/2015
JPMorgan Strategic Income Opportunities (Portfolios only)	11/1/2011
Blackrock Strategic Income (Portfolios only)	7/1/2016
PIMCO High Yield Fund	8/29/2008
Mainstay Floating Rate High Income (Portfolios only)	2/1/2012
Money Market	
Vanguard Federal Money Market Fund	6/1/2016
Stable Value	
CCOERA Book Value Fund	6/30/1969
Real Estate Investment Trust	
Cohen & Steers Realty Shares Fund	8/29/2008
Commodities	
Credit Suisse Commodity Return (Portfolios only)	11/1/2011
Liquid Low Correlated Hedge Fund of Funds	
Litman Gregory Masters Alternative Strategies (Portfolios only)	6/23/2015
John Hancock Global Absolute Return (Portfolios only)	3/11/2016
Other	
DFA Emerging Markets Core (Portfolios only)	6/27/2016
Steelpath MLP Alpha (Portfolios only)	6/27/2016

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