Approved: April 2015

MWRA EMPLOYEES' RETIREMENT SYSTEM

INVESTMENT POLICY STATEMENT

I. DEFINITION AND FUNCTION

The Massachusetts Water Resources Authority (MWRA) Employees' Retirement System (the "System" or "Plan") is an employee pension benefit plan established in accordance with Chapter 32 of Massachusetts General Laws ("M.G.L., Chapter 32"). The Plan and Funds are administered by a Retirement Board (the "Board") consisting of five members. The Ex-Officio, two appointed members, and two members elected by the general membership of the retirement system. This defined benefit plan is maintained to provide retirement, disability, and or death benefits, as the case may be, to participants in accordance with Massachusetts General Laws.

The plan and the benefits provided hereunder are funded by investment income and investment gains, contributions from the membership, and annual contributions made by the Massachusetts Water Resources Authority.

The Board members are charged by law with the responsibility for the investment of the assets of the MWRA Employees' Retirement System. To assist the Board in meeting their fiduciary obligation, they are authorized and permitted by the Public Employee Retirement Administration Commission (PERAC) to engage the services of advisors who possess the necessary specialized research facilities and skilled manpower to assure adherence to the "Prudent Expert Rule" under such statutes as may now apply or in the future apply to investments of the Plan.

Policy guidelines will be fixed annually by the Board after consideration of the advice and recommendations of the Investment Advisor. All modifications of policy guidelines shall be in writing and signed by each of the acting Board members.

II. PURPOSE OF THIS STATEMENT OF GOALS AND OBJECTIVES

This statement of Investment Goals and Objectives is to set forth for the explicit purpose of:

1. Determine the Plan's projected financial needs.

2. Express the Board's position with respect to its risk/reward posture.

3. Formulate an appropriate set of goals and objectives for this Plan's assets.

4. Define the strategy to be implemented by the Board in the endeavor of achieving the goals and objectives.

5. Identify a set of guidelines which the Investment Advisor can use in formulating corresponding investment recommendations over the next 10 year time horizon.

6. Establish procedures and a schedule for monitoring the performance of the System in achieving the stated objectives.

III. MISSION STATEMENT

The MWRA Employees' Retirement System is a qualified Defined Benefit plan as defined by the M.G.L., Chapter 32.

The Board of the MWRA Employees' Retirement System has as its primary goal to provide promised benefits to participants and beneficiaries of the system. Plan assets should be equal to or greater than the present value of the projected benefit obligations ("fully funded"). When Plan assets are less than the present value of projected benefit obligations, a schedule will be established and a plan will be in place to meet a fully funded status.

When achieving return objectives required to fully fund the system, the Board is intent on controlling risk. Consistency of returns and risk of loss are primary considerations.

The Board has also determined that the annual performance of plan assets should not vary substantially from returns achieved by other public pension funds with similar goals and objectives.

IV. REGULATORY REQUIREMENTS

Assets of this Fund shall be invested in a manner consistent with the fiduciary standards established under Code of Massachusetts Regulations 840 ("840 CMR"). The Board shall also use as precedent the Employee Retirement Income Security Act (ERISA).

Every Fiduciary Shall:

- Discharge his or her duties for the exclusive purpose of providing benefits to the participants of the Plan and their beneficiaries.
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- Act with the 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 by investment of the Plan so as to minimize the risk of large losses unless under the circumstances it is clearly prudent not to do so.

- Operate in accordance with the MWRA Employees' Retirement System's procedures, documents and instruments.

- Maintain compliance with the Code of Ethics and Standards of Conduct applicable to their assigned duties.

No Fiduciary Shall:

- Deal with the assets of the MWRA Employees' Retirement System for his or her own account or his or her own interest.

- Act in any manner or on behalf of any person or organization whose interests are adverse to the interests of the MWRA Employees' Retirement System, its members, or beneficiaries.

- Cause the MWRA Employees' Retirement System to engage in a transaction which in any way involves a sale, exchange, lease, or transfer of assets to or from, or the use of assets by or for the benefit, or the furnishing of goods, services or facilities to or by, or the lending of money or extension of credit to or by any party in one's own interest.

V. TIME HORIZON

Return assumptions will be based on a ten year time horizon with a detailed review and analysis to be made at least annually to monitor allocations and assumptions. Should a manager deviate from proscribed mandate or expected risk and return profile by a consequential degree, that manager may be reevaluated at any time.

VI. LIQUIDITY

Presently contributions exceed plan withdrawals to provide benefits, payouts, and/or plan expenses. Portfolio liquidity will be managed based on the cash flow needs of the System.

VII. RETURN EXPECTATIONS

The Board has determined that investment growth should be maintained in such a manner that the minimum nominal rate of return does not cause a negative real rate of return over a full market cycle.

Return volatility of the aggregate asset base of the Plan will be measured relative to the volatility experienced by a policy benchmark, referenced in Attachment B.

Volatility or risk shall be measured as the annualized standard deviation, utilizing monthly and/or quarterly total rates of return of the aggregate assets of the Plan.

VIII. POLICY ASSET MIX

In order to achieve needed returns within the stated risk tolerance and in order to diversify plan assets so as to minimize the risk associated with the independence on the success of one enterprise, a policy asset mix will be utilized. The policy mix can be found in Attachment B. To accommodate the growth and to avoid excess trading costs the Board has also implemented asset class ranges, which can also be found in Attachment B.

In developing this asset mix no portion of the portfolio has been allocated to cash. However, when employing a multi-manager investment approach, managers may raise cash balances in accordance with their individual investment guidelines.

Surplus cash flows shall be utilized to maintain the asset management structure. Should these cash flows not be sufficient to reallocate the Plan according to the policy, the transfer of assets may occur between managers.

At least annually, the Board will reevaluate the portfolio weightings by asset class and adjustments shall be made accordingly.

IX. MANAGEMENT STRUCTURE

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

Asset managers will be employed to utilize individual expertise within their assigned area of responsibility. Each manager will be governed by individual investment guidelines. Manager guidelines will serve as addenda to the Policy.

The Board, in recognition of the benefits of commingled funds (i.e., the ability to diversify more extensively than in a small, direct investment account and the lower costs which can be associated with these funds) may elect to invest in such funds on a case-by-case basis. The Board recognizes that it cannot give specific policy directives to a commingled fund with pre-established policies, outlined in each fund's prospectus or offering documents; therefore, the Board is relying on the investment consultant to assess and monitor the investment policies of any funds used by the Fund to ascertain whether they are appropriate for the Plan. The Board and its Investment Managers, where applicable, will establish a Side Letter Agreement that sets forth that the manager is aware of the Code of Massachusetts Regulations, Investment Regulations, the applicable provisions of M.G.L., Chapter 32 and that the Manager will comply with the statute and Investment Regulations wherever possible, consistent with the Manager's trust documents, prospectus, implementation documents, etc. creating the commingled fund vehicle.

X. DIVERSIFICATION

Equity Investments

Equity securities shall mean common stocks or equivalents plus issues convertible into common stocks.

Domestic equity holdings consist of equity securities of companies that are listed on U.S. registered exchanges or actively traded in the over-the counter market. The market capitalization of securities should be largely consistent with securities held in appropriate indices.

International equity, including emerging market securities, are listed securities that can be accessed through local markets or American Depository Receipts (ADRs). The manager may hedge currency exposure through the use of derivative instruments. Currency hedging can only be used to eliminate or reduce exposure to a foreign currency, not to introduce or increase exposure to a foreign currency.

Recognizing the benefit of diversification, the Board will consider for every equity mandate: market capitalization, industry diversification, number of issues and rate of turnover.

Additionally, each investment manager will be notified of the exclusions that exist, referenced in section XI, as well as the following securities level restrictions:

a) Not more than 5% at cost or 6% of the total market value of equity investments should be invested in the equity securities of any one company.

b) Not more than 10% of the outstanding equity of one issuer should be held in the portfolio.

Fixed Income

Fixed income shall mean marketable debt securities issued by either (1) the United States Government, (2) sovereign debt of foreign governments, (3) corporations, or (4) domestic banks and other financial institutions and may include mortgage backed securities, asset backed securities, corporate bonds, debentures, and commercial paper.

Recognizing the benefit of diversification, the Board will consider for every fixed income mandate: quality ratings, maturity schedule, industry diversification, number of issues, and rate of turnover.

The duration of the portfolio should be largely consistent with appropriate indices. Unless otherwise agreed to, the duration of the portfolio must be within 25% of the appropriate benchmark.

The minimum quality rating at the time of purchase of any fixed income issue shall be CCC, or the equivalent thereof. Non-rated issues may comprise up to 10% of the portfolio, provided that the manager determines that, if such an issue were rated, it would be allowed under the above limitations and that the non-rated issue is deemed to be below BAA (investment grade).

Compliance with classifications provided by rating agencies (Moody's, S&P, and Fitch) is not sufficient for an issue to be deemed an appropriate investment. The Investment manager is responsible for making an independent analysis of the credit-worthiness of securities and their appropriateness as an investment for this fund.

a) Additionally, each investment manager will be notified of the exclusions that exist, referenced in section XI, as well as the following securities level restrictions:

b) Not more than 5% of the total market value of all investments shall be invested in the debt obligations of any one issuer with the exception of securities issued and guaranteed by the United States Government, or its agencies, which may be held without limitation.

Alternative Implementation Mandates (a.k.a. Global Asset Allocation)

Global Asset Allocation mandates were approved in the portfolio as an alternative implementation of the current asset allocation policy. The goal of these strategies is to outperform either an absolute return or blended multi-asset class market benchmark (i.e. 65% MSCI World Equity / 35% BC Aggregate) over a full market cycle by allocating assets among a defined group of permissible assets classes and markets to gain access to, and an overweight exposure to, those asset classes and markets that the manager has determined are attractive. The benefits of and allocation to these groups of strategies include enhanced diversification through exposure to new asset categories, enhanced return and reduced volatility in down markets.

It is understood that securities, strategies, constraints and investments that are declared ineligible for inclusion within other investment mandates may be included in these portfolios. The otherwise restricted investments may be allowed within this category to allow for positions that on an aggregate basis offer attractive risk-adjusted return benefits to the overall portfolio. The managers should determine that the securities to be purchased and the strategies to be utilized are suitable for this account. Provisions, including liquidity and transparency shall be reviewed and mandates will be deemed appropriate for the Fund's assets on an individual basis. Allocations will be monitored closely to ensure that asset classes' ranges are not violated.

Derivatives are permitted in this portfolio, but are limited in use relative to the Derivatives Policy Statement herein, unless approved in writing by the Board.

Cash, Money Market Investments, and Short Term Investments

Cash and cash equivalent investments shall mean debt obligations with a maturity of twelve months or less at the time of purchase. Investments shall be made only in:

a) Money market funds, Short-term Investment Fund ("STIF funds");

b) Securities rated A1 by Moody or P-1 by Standard & Poor's or better by a recognized credit rating service;

c) Repurchase agreements, provided there is evidence of a pledge of Treasury securities matching the repurchase agreement by reason of non-duplicated depository receipt; or provided the Board takes physical possession of the pledged Treasury securities;

d) Bank deposits which meet the Federal Depository Insurance Corporation's capital ratio requirements so as to provide $250,000 of insurance coverage per participant.

Real Estate

Real estate investments are allowed within the portfolio; real estate shall mean investments which represent beneficial ownership of real estate properties, which can be both equity and debt; Real estate investments shall be:

a) Diversified geographically;

b) Diversified by property type;

c) Diversified by manager so that no investment shall exceed 50% of the total equity real estate portfolio allocation;

d) Diversified by investor so that the Board's investment would not constitute more than 10% of funds invested or that the investments of all Massachusetts contributory retirement systems would not constitute more than 50% of the funds invested, unless otherwise exempted under supplemental regulations through 840 CMR 19.00.

e) In properties whose debt does not represent more than 50% of the appraise value, unless a written request is made to the Board for review and approval;

Private Investments

This policy authorizes commitments to private equity partnerships, private equity limited liability companies and discretionary managers investing in private equity partnerships and private equity limited liability companies. A portfolio of private equity could be invested in, but not limited to:

Venture Capital funds

Leverage Buyout/Growth Equity funds

Mezzanine Financing

Secondaries

Distressed Opportunities

Private Debt Investments

Private investments consist of Direct investments, Co-investments, or Fund-of-Funds

Hedge Funds

It is understood that securities, strategies, constraints and investments that are declared ineligible for inclusion within other investment mandates may be included in these portfolios. The otherwise restricted investments may be allowed within this category to allow for positions that on an aggregate basis offer attractive risk-adjusted return benefits to the overall portfolio. The managers should determine that the securities to be purchased and the strategies to be utilized are suitable for this account.

a) The overall goal of the hedge fund investments are to provide a diversified and uncorrelated investment, which over a full market cycle will be competitive with traditional like-strategies, while exhibiting relatively low correlations to equity and fixed income markets.

b) Hedge Funds include a broad array of strategies, which utilize both liquid and illiquid securities. Hedge Funds have the ability to sell securities short as well as purchase long securities. They may also use options, futures, swaps and other derivatives within their portfolio.

c) The returns of hedge funds are much more manager dependent than is the case for traditional mandates. Therefore, hedge fund managers will have the following allocation limits expressed as a percentage of total fund assets: A broadly diversified allocation, with no more than 50% in any specific strategy and no more than 2% in any given fund as per 840 CMR 19.00. In the case of Fund-of-Funds limitations will apply on a look through basis.

Exclusions

The following categories of securities are not permissible for investment in the Plan without the Board's written approval within the specified individual manager guidelines and exempted under supplemental regulations through 840 CMR 19.00.

a. Investments in Sudan, Northern Ireland and South Africa

b. Unregistered or restricted stock

c. Physical Commodities

d. Derivative investments including: forwards, futures options, warrants, hedging, or structured investments which display derivative like characteristics.

e. Margin buying

f. Short selling

g. Swaps, Scores, Primes

h. The portfolio shall comply at all times with applicable laws and regulations.

i. Direct investment in securities of companies that derive greater than 15% of revenue from the sale of tobacco and tobacco related products.

j. Investment in a pooled (commingled or mutual) fund that has greater than 15% of its securities invested in companies that derive more that 15% of their revenue from tobacco and tobacco related products.

k. Direct purchases of real estate, not including real estate held in managed accounts or within investment partnerships

l. Direct ownership of common stock (please refer to section XVII)

XI. RESPONSIBILITIES, COMMUNICATION, AND REPORTING

1. Investment Advisor

An investment advisor or consultant will be employed whose fiduciary responsibilities will be to provide investment advice including: risk/return assumptions on investments, diversification of plan assets so as to minimize the risk within the confinements of the Plan attempting to achieve stated return objectives, and to evaluate, monitor, and report on total portfolio and investment manager returns and compliance to investment policy and guidelines. The investment advisor is responsible for monthly and quarterly reporting.

The advisor shall communicate to the Board:

a. All significant matters pertaining to investment policy and the management of plan assets.

b. Any major changes in manager portfolio structure.

c. Any significant changes on manager ownership, organizational structure, financial condition, or senior personnel staffing.

d. Certified financial statements of the investment managers.

e. Detailed performance measurement and evaluation of total fund as well as manager performance.

f. Should carry error and omissions insurance policy providing a prudent amount of coverage for negligent acts or omissions.

g. Conduct due diligence on each manager.

2. Investment Managers

Managers shall report directly to the Board with council of the Board's Investment Consultant. Every investment manager shall maintain knowledge and shall comply with all applicable laws and rules and regulations, including rules and regulations of any self-regulatory agency of the profession, and the Standards of Conduct of 840 CMR 17.03 and 17.04 and the Code of Ethics of 840 CMR 17.02

Managers shall provide all needed information such as:

a. Major changes in investment outlook.

b. Significant changes in ownership, organizational structure, financial conditions, or senior personnel staffing. Certified financial statements are to be furnished annually.

c. Daily transactions; Monthly valuation and performance reports.

d. The manager is expected to acknowledge in writing its recognition and acceptance of fiduciary responsibility.

e. To have its employees bonded and to carry errors and omissions and/or fiduciary insurance unless otherwise exempted by law or governmental regulation.

3. Actuaries

Actuaries will be utilized to determine the overall health of the Plan. Actuaries will work closely with the Board and the investment advisor to provide needed information including but not limited to determining return assumptions and contribution rates, liquidity needs, future cash flows, and how adverse performance affects contribution rates.

4. Custodian Bank

In order to maximize the Plan's return, no money should be allowed to remain idle. Dividends, interest, proceeds from sales, new contributions and all other monies are to be invested or reinvested promptly.

The custodian bank(s) will be responsible for performing the following functions:

1. Accept daily instructions from designated staff.
2. Notify investment managers of proxies, tenders, rights, fractional shares or other dispositions of holdings.
3. Resolve any problems that designated staff may have relating to the custodial account.
4. Safekeeping of securities.
5. Collection of interest and dividends.
6. Daily cash sweep of idle principal and income cash balances.
7. Processing of all investment manager transactions.
8. Collection of proceeds from maturing securities.
9. Disbursement of all income or principal cash balances as directed.
10. Providing monthly statements by investment account and a consolidated statement of all assets.
11. Working with the investment consultant and the Fund accountant to ensure accuracy in reporting.
12. Provide written statements revealing monthly reconciliation of custody and investment managers' accounting statements.
13. Provide such other duties as are required under the Fund agreements.

5. Delegation of Responsibilities

The following chart displays the involvement of each entity as to the decision making process of the System expressed as a presentation of control is:

	Board	**Actuary**	**Inv.Advisor**	**Manager**	**Custodian**
Asset Allocation Investment Policy	X	X	X		
Formation of Investment Policy	X		X		
Manager Guidelines	X		X	X	
Manager Selection	X		X		
Performance Evaluation	X		X		
Security Selection	X			X	
Execution of Trades	X			X	X
Collection of Dividends & Interest				X	X
Cash Sweeps				X	X
Recapture Programs				X	
Security Lending					X
Proxy Voting	X			X	
Trading Verification	X			X	X

6. Legal Counsel

Legal counsel will be retained by the Trustees to review contracts and to provide overall advice as to fiduciary compliance to regulatory authorities.

XII. STANDARDS OF PERFORMANCE

Standards utilized in evaluating investment performance.

1. The extent to which the total rate of return for the Plan's assets over the next 10 year period equals or exceeds the targeted actuarial rate of return.

2. The extent to which the total rate of return for the Plan's assets over the next 10 year period exceeds the policy benchmark (Attachment B).

3. Comparison of the funds return to a compatible universe of funds allocated in similar weights and with the same goals and objectives.

4. The extent to which return divided by standard deviation (risk adjusted return) exceeds that of the policy benchmark and a comparable universe of funds.

5. Investment performance of various asset classes of securities, excluding private equity, will be compared, on a time weighted basis, with that of unmanaged market indices as well as a sample universe of funds as follows:

a. Total equity performance will be compared with the Russell 3000 Index and with a sample universe of equity funds. Large Cap mandates will also be reviewed relative to the S&P 500 Index and any other style index (Russell 1000 Value or Growth). Likewise for Small Cap mandates, where the performance benchmark shall be the Russell 2000 and the applicable Value or Growth Benchmark.

b. Fixed income performance will be compared with the Barclay's Capital Aggregate Bond Index as well as with a sample universe of fixed income funds.

c. International and emerging market equity performance will be compared with the MS EAFE Index for developed and the MS EME Index for emerging equity mandates, as well as a sample universe of international and emerging equity funds.

d. Global Asset Allocation managers and Hedge Fund managers will be evaluated based upon an agreed upon benchmark. Different mandates will require different stated benchmarks as well as a sample universe of funds.

e. Real Estate managers will be evaluated relative to the NCREIF index.

f. Private Equity managers will be evaluated with an Internal Rate of Return (IRR) calculation.

XIII. INVESTMENT TRANSACTIONS

All transactions are to be governed by negotiation for execution on a "best execution basis." The lowest commission cost may not represent the best execution. Investment managers shall be responsible for determining best execution of trades within their assigned portfolio.

XIV. PROXY VOTING

Proxy voting shall be implemented by the manager in compliance to policies established by the manager approved by the Board. The manager is to report on all votes that are cast and the reason behind their decisions on a semi-annual basis. See Attachment “A”.

XV. IMPLEMENTATION

All new moneys invested for the Board by investment managers after the adoption of this investment policy statement shall conform to this statement. To the extent that the Board shall deliver to an investment manager, in cash or kind, or fund assets here to fore invested for them by other investment managers, within 60 days after the delivery of said prior assets by the Board, the entire portfolio managed by the manager shall conform to in all aspects to guidelines established to the investment guidelines established for said manager. Specific manager guidelines shall serve as addenda to the investment policy.

XVI. RECIEPT OF SECURITIES IN-KIND

The Board acknowledges that from time to time, investment managers may distribute shares of securities in-kind, in lieu of cash. It is the Policy of the Board to be fully invested with specialist investment managers and not hold individual securities as part of the investment portfolio.

In the event that an in-kind distribution occurs, the Board will meet to discuss and vote on the sale of shares as soon as feasible upon receipt. The Board Chairman, in consultation with the Board’s investment consultant, custodian bank, legal counsel, and Executive Director, shall be authorized to take all necessary actions to execute the sale of stock or securities. Due to the unpredictable nature of these distributions, meetings can take place in person, by phone or electronically, as needed. In the event a meeting cannot take place or the Board Chairman and/or Vice-Chairman is unavailable, the Board grants the Executive Director the ability to sell the shares immediately.

Following such an event, the Chairman, Vice-Chairman or Director shall report at the next scheduled public meeting of the Board the actions taken to effectuate the sale of stock or securities.

Manager Guidelines Act as Addendum to Policy

Adopted this 30th day of April, 2015.

Board Members

Name______________________________

Name______________________________

Name______________________________

Name______________________________

Name______________________________

Consultant:

Name______________________________

Approved: April 2015

Attachment "A"
Proxy Voting

The MWRA Employees' Retirement Board has discussed their position as it relates to shareholder proposals in four specific categories: Board Independence, Corporate Governance, Employee Related Proposals, and Executive Compensation. Notwithstanding The fact that The MWRA Employees' Retirement Board has delegated this responsibility to your company as our investment advisor, The Board desires to clarify their position as a matter for the public record.

Board Independence- In an effort to ensure the Board of Directors will perform their oversight function as impartially as possible, the MWRA Employees' Retirement Board favors either a majority of independent directors, an independent board chairman, and/or independent members on [key] committees.

Executive Compensation- It is the position of the MWRA Employees' Retirement Board that Executive Compensation should be tied closely to the performance of the company. **The MWRA Employees' Retirement Board does not favor the practice of compensating board members with pension benefits**. As a Board, we believe excessive compensation for senior executive's impacts productivity and employee morale. We advocate performance based stock options to align compensation interests to company performance, and we endorse the creation of long-term shareholder value through human capital- the skill and commitment of the company workforce.

Corporate Governance- while this category holds a multitude of issues, the MWRA Employees' Retirement Board believes the Corporate Governance of any company should be in the spirit of the previous two categories, but fundamentally in the long- term interests of shareholder value. The issues within this category include:

- Increasing Authorized Common Stock
- Blank-Check Preferred Stock
- Reincorporation
- Poison Pills
- Insider Trading
- Board Size and Composition
- Supermajority Voting Requirements
- Dual Class Voting
- Confidential Voting and Independent Tabulation of the Vote
- Cumulative Voting
- Shareholder's Rights to Call Special Meeting
- Approving Other Business
- Attendance at Meetings
- Stock Options For Bard Members Who are not Employees
- Excessive number of Board Memberships

Employee Related Proposals- The MWRA Employees' Retirement Board supports proposals that align the interest of employees and shareholders. Two key areas are:
Employee Stock Purchase Plans – allowing employees to purchase company stock at a discount supports employee ownership and links the interests of employees of the company with shareholders, benefiting all shareholders in the long run.
High-Performance Workplaces- voting fiduciaries should generally support "high-performance workplace practices" at companies; some such practices are outlined in the Department of Labor's 1994 report, "Road to High-Performance Workplaces". Voting fiduciaries should review these proposals and ensure that they do not unduly interfere with the company's operation.

Attachment "B"
Asset Allocation

Asset Class	% Allocated	Corresponding Index
Domestic Stocks	20	Russell 3000
Large Cap	*14*	*S&P 500*
Small Cap	*6*	*Russell 2000*
Domestic Bonds*	22	Barclay's Capital Aggregate
International Stocks	17	MSCI ACWI
Developed International	*12*	*MSCI EAFE*
Emerging Equity	*5*	*MSCI EME*
Real Estate	7	NCREIF Property Index
Private Equity	9	NASDAQ Index
Hedge Funds/Absolute Return	9	HFRI Hedge Fund of Funds
Global Asset Allocation	16	TBD, based on hired manager (See Policy Index)

**high yield and non-U.S. bond holdings*

Asset Class	Minimum Exposure	Maximum Exposure
Domestic Stocks	10%	30%
Domestic Bonds	15%	40%
International Stocks	10%	25%
Real Estate (Equity)	0%	10%
Private Equity	0%	12%
Hedge Funds/Absolute Return	0%	12%
Global Asset Allocation	5%	25%
Cash	0%	10%

Policy benchmark (Effective February 1, 2015): 9% NASDAQ Index (as proxy for private equity allocation), 7% NCREIF Property Index, 12% Morgan Stanley EAFE, 5% Morgan Stanley Emerging Markets, 14% S&P 500, 6% Russell 2000, 17% Barclay's Capital Aggregate Bond Index, 2% Citigroup World Government Bond Index, 3% Barclay's Capital High Yield Index, 9% HFRI Fund of Funds (as a proxy for Hedge Funds); 6% Blended Benchmark (65% ACWI/35% BC Agg); 4% Blended Benchmark

(60% MSCI ACWI/40% Citi WGBI); 6% PIMCO Benchmark (40% BarCap Aggregate/30% TIPS/10% S&P 500/10% BarCap HY/10% JPM EMBI)