

Account No. 1626040
Company Tax ID: 58-6000616

INVESTMENT MANAGEMENT AGREEMENT
(non-ERISA)

VICTORY CAPITAL MANAGEMENT INC.
4900 Tiedeman Road, 4th Floor
Brooklyn, OH 44144

This management agreement (the "Agreement"), is entered into as of this 22nd day of August, 2018, by and between **Victory Capital Management Inc.**, a New York corporation (the "Investment Manager"), and **City of Marietta/BLW Defined Benefit Pension Plan** (the "Client").

1. The Client hereby grants to the Investment Manager, and the Investment Manager hereby accepts, full discretionary authority to manage certain assets of the Client (the "Managed Assets") and to effect in its sole discretion the investment, reinvestment and liquidation of the Managed Assets in accordance with such objectives as the Client may, from time to time, have furnished to the Investment Manager in writing, and subject only to such limitations as the Client may impose. This appointment includes that of agent and attorney-in-fact with full discretionary power and authority to effect transactions with respect to investment of the Managed Assets, to acquire and dispose of securities of every description, including the exercise of rights and warrants to subscribe for securities, and including investing in shares of an investment company to which the Investment Manager or any affiliate serves as the investment adviser, all without prior consultation with the Client.

2. In consideration for its services under this Agreement, the Client agrees to pay the Investment Manager a management fee, determined in accordance with the attached Schedule of Fees (attached hereto as Schedule A). For the purpose of computing the management fee, the value of the Managed Assets (including debt securities, commercial paper, treasury bills and any cash items) shall be calculated based upon the average month end market value of the entire portfolio for each quarterly period or, in the absence of a market value, the fair value as determined in good faith by the Investment Manager on the payable date of such stated period.

3. The Investment Manager is authorized to vote proxies solicited by or with respect to the issuers of securities in which the Managed Assets may be invested as of the record date of voting such proxies unless the Client, in an authorized writing delivered to the Investment Manager, specifically reserves to itself the authority to vote proxies and precludes the Investment Manager from doing so. Investment Manager will not take any action or render any advice with respect to any securities held in any accounts that are named in or subject to class action lawsuits. Upon request, Investment Manager will provide reasonable assistance with requests for information in Investment Manager's possession that are related to legal actions associated with a security held or previously held as part of the Managed Assets.

4. Consistent with obtaining best execution and as permitted under Section 28(e) of the Securities Exchange Act of 1934, transactions for the Managed Assets may be directed to brokers in return for research and brokerage services furnished by them to the Investment Manager. Such research may be used to service any or all of Investment Manager's clients, and brokerage commissions paid by the Client may be used to pay for research that is not used in managing the Managed Assets. The Investment Manager may, in its discretion, cause the Managed Assets to pay brokers a commission greater than another qualified broker might charge to effect the same transaction where the Investment Manager determines in good faith, and in accordance with its fiduciary duty, that the commission is reasonable in relation to the value of the brokerage and research services received. The Client understands and agrees that the Investment Manager's discretionary authority hereunder with respect to the Managed Assets shall not impair or affect the Investment Manager's ability to buy or sell the same or similar securities or other property for the account of others. In addition, the Client understands and agrees to the extent permitted by applicable law, the Investment Manager

may in transactions involving the Managed Assets act as agent while also representing another customer of the Investment Manager which is the counterparty to such transaction.

5. The Client agrees that the Investment Manager may aggregate sales and purchase orders of the Managed Assets with similar orders being made simultaneously for other portfolios managed by the Investment Manager if, in the Investment Manager's reasonable judgment, such aggregation shall result in an overall economic benefit to the Managed Assets, taking into consideration the advantageous selling or purchase price, brokerage commission and other expenses, and trading requirements. In accounting for such aggregated orders, price and commission shall be averaged on a per bond or per share basis, provided, however, the portfolio managers have the discretion to fill orders for certain accounts before others under certain circumstances as more fully described in the Investment Manager's Form ADV, Part II, as amended to date (or a separate brochure which contains the same information as is in such Part II).

6. The Client will appoint a separate custodian (the "Custodian") to take and have possession of the Managed Assets. The Investment Manager shall issue instructions to the Custodian as may be appropriate in connection with transactions with respect to the Managed Assets. The Investment Manager shall have no responsibility or liability with respect to custody arrangement or the acts, omissions or other conduct of the Custodian. Nothing contained herein shall be deemed to authorize the Investment Manager to take or receive physical possession of any cash or securities in the Managed Assets.

7. The Investment Manager may place orders for the execution of transactions with or through such brokers, dealers or banks as the Investment Manager may select, any one of which may be an affiliate of the Investment Manager. The Client specifically agrees that although the Investment Manager exercises investment discretion with respect to the Managed Assets, such affiliate may effect transactions in securities on the Client's behalf on any exchange of which such affiliate is a member and may receive and retain compensation for such services, subject to the limitations and restrictions made applicable to such transactions by Section 11(a) of the Securities Exchange Act of 1934 and Rule 11a2-2(T) thereunder. However, if the Client is providing a directed brokerage instruction, the Client has completed Schedule B attached hereto.

8. It is understood that, unless otherwise required by law, the Investment Manager, its shareholders, directors, officers, employees or agents shall not have responsibility or liability for any loss resulting from any act or omission by the Client, the Custodian, or any broker or dealer designated by the Client for use with respect to the Managed Assets or any agent or employee thereof. The Investment Manager may rely upon any statement, representation, approval, direction or receipt of the Client, or any agent thereof.

9. The Client represents and warrants to Investment Manager that (a) it is experienced in the engagement of investment managers and is aware of the risks associated with such engagements, including the risk that the Managed Assets could suffer substantial diminution in value; (b) the terms of this Agreement do not violate any obligation by which the Client is bound, whether arising by contract, operation of law, or otherwise, (c) the Client has the requisite power and authority to appoint Investment Manager to manage the Managed Assets; and (d) this Agreement has been duly authorized by Client and, when executed and delivered, will be binding upon Client in accordance with its terms.

10. The Client agrees to provide evidence, as requested, to any third party, to satisfy them as to the authority of the Investment Manager hereunder.

11. The Client has provided instructions regarding the use of the Client's name within the Investment Manager's representative client list(s) in the form of the attached Schedule C.

12. This Agreement cannot be assigned (as such term is defined in the Investment Advisers Act of 1940, as amended) or transferred in any manner by any party without the prior written consent of all parties receiving or rendering services under the Agreement. Notwithstanding the foregoing, Adviser may provide Client at least 45 days' advance written notice of an assignment of this Agreement to a successor in interest to the Adviser and, unless Client objects to such assignment in a written notice to Adviser on or before the date of assignment, Client shall be deemed to have consented to such assignment.

13. The Investment Manager will periodically send the Client a list of the investments of the Managed Assets. The Investment Manager will instruct all brokers and dealers executing orders on behalf of the Managed Assets to provide notification of all executed transactions to the Custodian.

To the extent reasonable and practicable, communications between the parties or to the Custodian shall be made in writing or in another reasonable manner and promptly confirmed in writing. Written communications should be addressed as follows:

If to the Client: City of Marietta/BLW Defined Benefit Pension Plan
205 Lawrence St NE, 3rd Floor _____
Marietta, GA 30060 _____
ATTN: Davy Godfrey _____

If to the Investment Manager: Victory Capital Management Inc.
4900 Tiedeman Road, 4th Floor
Brooklyn, OH 44144
ATTN: _____

With a Copy to the Chief Compliance Officer: Victory Capital Management Inc.
4900 Tiedeman Road, 4th Floor
Brooklyn, OH 44144
Attn: Colin Kinney

If to the Custodian: SunTrust Private Wealth Management _____
303 Peachtree Street, 2nd Floor _____
Atlanta, GA 30308 _____
ATTN: Patrick Paparelli _____

Notice of change of any above-noted address shall be promptly sent to the other persons listed above.

14. This Agreement shall remain in effect until terminated by one of the parties hereto. This Agreement may be terminated by either party at any time by written notice to the other party hereto which shall be effective thirty (30) days after the receipt of such notice or such earlier date as may be agreed to by the parties hereto. In the event this Agreement is terminated, any unpaid fees will be payable to the Investment Manager ratably based on the number of calendar days prior to the termination date. However, all rights and obligations under Section 9, and Schedule B, if applicable, of this Agreement, shall survive such termination.

15. This Agreement and any Schedules attached hereto constitute the sole understanding of the parties with respect to the subject matter hereof.

16. The undersigned acknowledges receipt of the Investment Manager's Form ADV, Part 2A and 2B, as amended to date (or separate brochures which contain the same information) not later than the date hereof. The Client agrees and consents to the electronic delivery or availability of all current and future agreements and amendments thereto, Form ADV (or separate brochure), account statements, notices (including privacy notices), letters, regulatory communications and other information, documents, data, records and reports related to its account.

Electronic communications may include email delivery and/or electronic communications via the Investment Manager's website. The Client acknowledges and agrees that any such electronic delivery or availability is at Investment Manager's option and shall constitute a valid means of delivery if directed to the Client (if an individual) or to the person or persons designated by the Client from time to time to receive such notice, including a third party agent. The Client may revoke this consent at any time by providing advance written notice to the Investment Manager.

17. This Agreement shall be construed in accordance with and governed by the laws of the State of Georgia applicable to agreements made and solely to be performed in such State. The parties hereto agree to submit to the jurisdiction of the courts of the State of Georgia for Cobb County, or of the United States of America for Cobb County in the state of Georgia, over any action, suit or proceeding arising out of or relating to this Agreement. Nothing herein shall affect Client's right to serve process in any manner permitted by law or limit Client's right to bring proceedings against Investment Manager in the competent courts of any other jurisdiction(s).

18. The Investment Manager shall discharge its duties under this agreement solely in the interests of the participants in the plans for which the Managed Assets are maintained, and for their beneficiaries, and (i) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man 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; and (ii) in accordance with the provisions of this Agreement.

19. Investment Manager agrees to restore to the Managed Assets any losses caused by its own or its agents' or employees' negligence, omissions, unauthorized acts, defaults, other breaches of trust or breach of its fiduciary responsibility and/or of any other laws, and to restore to the Managed Assets any profits made through the use of assets of the Account in violation of its or their fiduciary responsibility. Investment Manager shall defend, indemnify and hold harmless the City of Marietta, Georgia; the plans; and the Pension Board against all claims, liabilities and expenses, including reasonable attorneys' fees, incurred by any one of them as a result of the Investment Manager's negligence, omissions, unauthorized acts, defaults, other breaches of trust or breach of its fiduciary responsibility and/or of any other laws in performing its duties and responsibilities under this Agreement. An indemnified party or person will not, without the prior written consent of the Investment Manager, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action suit or proceeding in respect of which indemnification may be sought hereunder. The Investment Manager shall be notified of any action commenced, or claim asserted, for which indemnity may be sought hereunder. The Investment Manager may elect to assume the defense of such action or proceeding, including the employment of counsel and the payment of fees and disbursements of such counsel, and the Investment Manager shall not thereafter be liable for any additional defense-related expenses. In any action or proceeding the defense of which the Investment Manager assumes, an indemnified party or person will have the right to participate in such litigation and to retain counsel at its own expense. This paragraph shall survive the termination or expiration of this Agreement.

20. Investment Manager represents that it maintains errors and omissions liability insurance for claims arising from Investment Manager's performance of or failure to perform its fiduciary duties under this Agreement and will provide evidence of such to the Client. Investment Manager shall keep such insurance in place throughout the term of this agreement. Investment Manager shall notify Client within thirty (30) days following the renewal or replacement of any such policies that results in a material reduction or change in coverage.

21. Investment Manager will promptly advise Client in writing of any extraordinary investigation, examination, complaint, disciplinary action or other proceeding relative to or affecting its ability to perform its duties under this agreement or involving any investment professional employed by it who has performed any service with respect to the Account in the twenty-four months preceding the date of the event reported.

22. Notwithstanding anything herein to the contrary, the Investment Manager will not be liable for: (i) forces majeure or other events beyond its control, including without limitation any failure, default or delay in performance resulting from computer or other electronic or mechanical equipment failure, unauthorized access, theft, government restrictions, exchange or market rulings or suspension of trading, strikes, failure of common carrier or utility systems, severe weather or breakdown in communications not reasonably within the control of the Investment Manager or other causes commonly known as "acts of God," whether or not any such cause was reasonably foreseeable. This paragraph shall survive termination or expiration of this Agreement.

23. Investments shall comply with Georgia law including, but not limited to, O.C.G.A. §47-20-83 and 47-20-84, as may be hereafter amended.

24. Investments shall comply with the Investment Policy Statement adopted by the City of Marietta/Board of Lights and Water Defined Benefit Plan as currently existing or as may be hereafter amended.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

Agreed and Accepted as of 22nd day of August, 2018.

City of Marietta/BLW Defined Benefit Pension plan

BY: [Signature]

NAME: ROBERT B. MOSS

TITLE: PENSION BOARD CHAIRMAN

VICTORY CAPITAL MANAGEMENT INC.

BY: [Signature]

NAME: Michael Polcarpo

TITLE: COO

SCHEDULE OF FEES

This schedule is an integral part of the attached Investment Management Agreement between the Client and the Investment Manager.

The schedule of annual fees for investment management services is as follows:

<u>Assets Under Management</u>	<u>Annual Fee Rate</u>
On the first \$25,000,000	55 bps
On the next \$25,000,000	50 bps
On the next \$50,000,000	45 bps
All Assets Remaining	40 bps

Product: Convertibles

Benchmark: *ML Convertible Bonds All US Investment Grade Excl (144A) (VXNI)*

In consideration for its services under this Investment Management Agreement, the Client agrees to pay the Investment Manager a fee in arrears, on the last business day of each quarterly period. Said fee shall be calculated based upon the average month-end market value of the entire portfolio for each quarterly period. In the absence of a market value, the fair value will be reasonably determined by the Investment Manager on the payable date of each such stated period.

Please initial selection below:

Client will pay these fees directly.

OR

ABM The Client will authorize its Custodian to pay these fees directly from the custody account. A copy of the invoice will be provided to the Custodian and the Client.

Depending upon the relationship, multiple portfolios with a common interest may be treated as one for billing purposes.

Agreed and Accepted as of 22nd day of August, 2018.

City of Marietta/BLW Defined Benefit Pension Plan

BY: *Robert B. Moss*

NAME: Robert B. Moss

TITLE: Pension Board Chairperson

VICTORY CAPITAL MANAGEMENT INC.

BY: *Michael Polcarpo*

NAME: Michael Polcarpo

TITLE: COO

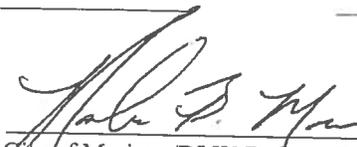
DIRECTED BROKERAGE
(Equity Transactions Only)

The undersigned Client hereby directs the Investment Manager with respect to the particular brokers or dealers to be utilized by the Investment Manager for portfolio trading for the Managed Assets ("Directed Brokerage"), as listed below. The Client agrees that the receipt of any goods or services to be obtained from any brokers, dealers or other persons on account of Directed Brokerage shall be negotiated by and is the responsibility of the Client, and the Investment Manager shall have no responsibility therefor, except in fulfilling the Directed Brokerage requirements if practicable. The Client acknowledges that with Directed Brokerage, the Investment Manager's services do not include selection of brokerage firms nor the negotiation of commission rates, and the commission rates may not be as favorable as those which might be obtained if the Investment Manager undertakes to select brokerage firms or negotiate rates with those firms selected. Victory Capital Management may be unable to obtain best execution when directed to use a particular broker. Also, due to the manual nature of directed trades, they may be executed after discretionary trades in certain circumstances. The Investment Manager shall be obligated to direct all brokerage transactions to the brokerage firms set forth below, and the Client acknowledges that such brokerage firms may charge fees for their brokerage and other services.

Each Directed Brokerage instruction by the Client to the Investment Manager to use a designated broker shall constitute a separate representation and warranty of the Client to the Investment Manager that any arrangement for goods or services to be received on account of such Directed Brokerage shall be in conformity with any fiduciary responsibilities of the Client and all applicable statutes and regulations to which the Client is subject and the Client agrees to hold the Investment Manager, its officers, directors and employees (collectively, the "Covered Parties") harmless for, and to indemnify or insure the Covered Parties against, any costs, and liabilities (including e.g., attorneys' fees and disbursements) which the Covered Parties may incur as a result of any claim against the Covered Parties relating to such Directed Brokerage activity.

SELECTED BROKERS OR DEALERS:

<u>Account Number</u>	<u>Brokerage Firm</u>	<u>Broker's Name and Phone Number</u>
<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

BY: 
City of Marietta/BLW Defined Benefit Pension Plan

REPRESENTATIVE CLIENT LIST

The Investment Manager may, from time to time, provide a representative client list to prospective clients. The Investment Manager in no way considers inclusion in the representative client list to be a testimonial. When providing a representative client list to prospective clients, the following three items are disclosed:

1. The Investment Manager does not use performance-based criteria in determining which clients to include in the list;
2. It is not known by the Investment Manager whether the listed clients approve or disapprove of the Investment Manager or the advisory services provided; and,
3. A description of the objective criteria used by the Investment Manager to determine which clients to include in the list.

Please initial selection below:

SM Yes, the Client grants the Investment Manager permission to utilize the Client's name in its representative client list.

_____ No, the Client requests that the Investment Manager not include the Client's name in its representative client list.

Agreed and Accepted as of 22nd day of August, 2018.

City of Marietta/BLW Defined Benefit Pension Plan

BY: Robert B. Moss

NAME: ROBERT B. MOSS

TITLE: PENSION BOARD CHAIRPERSON



City of Marietta

205 Lawrence Street
Post Office Box 609
Marietta, Georgia 30061

Motion Signature

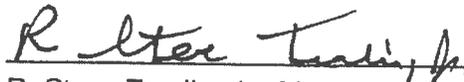
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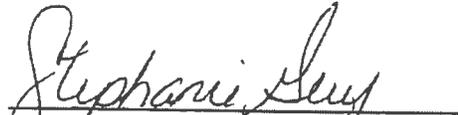
Defined Benefit Pension Plan Investment Policy Statement Approval

Motion approving the updated Defined Benefit Pension Plan Investment Policy Statement (IPS) as forwarded by the Pension Board. The update adds a section of the O.C.G.A. that is followed but has not been formally mentioned in the IPS.

The Pension Board decision to recommend passage was approved May 10, 2017, by a vote of 8-0-0, with one member absent.

Date June 14, 2017


R. Steve Tumlin, Jr., Mayor


Stephanie Guy, City Clerk

CONTRACT/AGREEMENT NO. 4538
CITY OF MARIETTA, GA.
RECORDS

20170504

Investment Policy Statement

City of Marietta/BLW Defined Benefit Pension Plan

May 2017

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FUND DESCRIPTION

Purpose

This Investment Policy Statement has been adopted by the Board of the City of Marietta/BLW Defined Benefit Pension Plan ("Board") to outline the prudent and acceptable investment philosophy of the City of Marietta/BLW Defined Benefit Pension Plan. It will also define the City of Marietta/BLW Defined Benefit Pension Plan's investment management procedures and long-term goals. It is meant to provide a clear understanding between the Board, the Investment Committee, the Investment Consultant and Investment Managers concerning the investment policies and objectives of the Pension Fund.

Fund Leadership (Ordinance 7872)

The pension board shall consist of nine (9) members elected from posts as follows:

Post 1: City Manager or his designee

Post 2: Council Member

Post 3: Council Member

Post 4: General employee representative

Post 5: General employee representative

Post 6: General employee representative

Post 7: General employee representative

Post 8: Police department representative

Post 9: Fire department representative

The police chief and fire chief shall be ex-officio members of the pension board and shall only vote in the absence of the police and fire representatives.

Terms. All members shall be elected as hereinafter provided in November and shall begin service on January 1 for a term of three years.

Selection of council, police, fire and general employee members:

Council Representative (Ordinance 7893): Two (2) members of the council shall serve on the pension board. Effective October 1, 2016, the two members representing council shall be the Chairman of the Personnel/Insurance Committee and the Chairman of the Finance/Investments Committee as provided in Section 1-4-040 V of City Code. If either of the Chairmen or Vice Chairman is unable or declines to serve for any reason, then a member of the applicable committee shall serve in their stead. If a vacancy still exists, then the Mayor with consent of council shall appoint an alternate.

Police Representative. One member of the pension board shall be a representative of the police department. The senior officer in each of the ranks of police deputy chief, police major, police lieutenant, police sergeant, detective and police officer shall serve as a nominating committee for the police department. The highest-ranking officer shall serve as chairman of the nominating committee.

Fire Representative. One member of the pension board shall be a representative of the fire department. The senior officer in each of the ranks of deputy chief, assistant chief, commander, lieutenant, firefighter engineer, and firefighter shall serve as a nominating committee for the fire department. The highest-ranking officer shall serve as a chairman of the nominating committee.

Election of police and fire representatives. The chairperson of each respective nominating committee of police and fire shall call a meeting of the committee in November of the year immediately preceding the termination of the police and fire representatives on January 1 of the next year. The purpose of this meeting will be to nominate three employees from

each of the departments of fire and police. The names of the three employees nominated shall be placed on a ballot with space provided for write-ins. The duration of the election period will not exceed ten business days, including period of early voting. Ballots shall be distributed by the nominating committees to all of the employees in the respective departments of police and fire. When used, paper ballots shall be marked in secret and returned to the nominating committee the same day they are distributed. If electronic voting is used, the method must be certified by the Director of Information Technology as maintaining anonymity. Each employee will vote for one candidate and the candidate receiving a plurality of votes shall be the representative of their respective departments to the pension board. If for any reason the duly elected representative of the police or fire departments cannot fulfill his or her office, the respective nominating committee shall call a meeting to designate a replacement for the duration of the vacated membership.

General Employees. Four (4) members of the pension board shall be representatives of the general employees. A nominating committee consisting of the director of human resources, or a designee thereof; two (2) persons appointed by the director of public works, one (1) of whom cannot be in a supervisory position; three (3) persons appointed by the BLW general manager, one (1) of which cannot be in a supervisory position; two (2) persons appointed by the city manager, one (1) of whom cannot be in a supervisory position; one person appointed by the director of parks and recreation shall nominate the candidates for membership on the pension board. The director of human resources, or the designee thereof, shall act as presiding officer of the nominating committee and call a meeting of the committee in the month of November in the year immediately preceding the end of the current member's term. The purpose of this meeting shall be to nominate two (2) candidates for each expiring term of a member of the pension board represented by the general employees. The names of such employees nominated shall be placed on a ballot with space provided for write-ins. The duration of the election period will not exceed ten business days, including periods of early voting. Ballots shall be distributed to all general employees. When used, paper ballots shall be marked in secret and returned to the nominating committee the same day they are distributed. If electronic voting is used, the method must be certified by the Director of Information Technology as maintaining anonymity. Each employee will vote for as many candidates as there are representative seats of the general employees expiring on January 1. The candidates receiving the highest plurality votes for such seats shall be selected as the representatives of the general employees to the pension board. If for any reason for duly elected representative of the general employees cannot fulfill his or her office, the nominating committee shall call a meeting to designate a replacement for the duration of vacated membership.

Officers. The pension board may elect such officers as it deems necessary. The board shall elect a chairperson and a secretary. The chairperson shall preside at meetings of the board, cast a vote on any issue, call meetings as may be necessary, and do all things necessary to carry on the orderly affairs of the board. The chairperson shall be selected by a majority vote of the board for a one-year term. The board shall designate, in writing, a secretary or other representative who shall have full authority to represent the board in all communications with any provider and the city's employees, including elected and appointed members of the governing authority. The secretary shall keep accurate minutes of all meetings of the board, recording those voting for and against any issue. Minutes shall be distributed to each member of the board, the council of the City of Marietta and shall be posted in a prominent place(s) within the City Government Complex.

Legal Assistance. The city attorney or other attorney appointed by the governing authority shall furnish legal advice to the pension board on any issue before it upon which legal advice is sought.

Meetings. The pension board shall meet at least quarterly. Five members of the board (including the chairperson) shall constitute a quorum. The city manager or his designee shall have authority to approve pension, retirement and disability payments pending a meeting of the board.

Rules of procedure. The pension board shall have the authority to promulgate rules and regulations for its internal operation, as well as the approval of payments within its jurisdiction.

Plan Sponsor Details

City of Marietta/BLW Defined Benefit Pension Plan

Federal Tax Identification Number

58-6000616 TEN

Fiscal Year End

June 30th

Key Contacts for the Pension

Board Chairman
Freddy Morgan

City Manager
Bill Bruton

Finance Director
Sam Lady

Secretary to the Board
Director of Human Resources & Risk Management
Davy Godfrey

Contact Information

Marietta City Hall
205 Lawrence St. NE
Marietta, GA 30060
(770)794-5545
(770)794-5567

Actuary

Cavanaugh Macdonald Consulting
3550 Busbee Pkwy, Suite 250
Kennesaw, GA 30144
Edward Koebel EA, MAAA, FCA
edk@cavmacconsulting.com
678-388-1706

Custodian Bank

SunTrust Bank
303 Peachtree Street, Suite 200
Atlanta, GA 30308
Ken Fillman
Ken.Fillman@SunTrust.com
404-827-6567

Investment Consultant

GAVION LLC
6000 Poplar Avenue, Suite 325
Memphis, TN 38119
(901) 761-8080
Ian Janecek, CAIA
Senior Consultant
ian.janecek@gavionllc.com
Scott Arnwine
Senior Consultant
Scott.arnwine@gavionllc.com

INTRODUCTION

Purpose

This Investment Policy Statement has been adopted by the Board of the City of Marietta/BLW Defined Benefit Pension Plan to outline the prudent and acceptable investment philosophy of the Board, and defines City's investment management procedures and long-term goals. It is meant to provide a clear understanding between the Board, the Investment Consultant and Investment Managers concerning the investment policies and objectives of the Pension Fund.

Justification

The principal reason for developing this long-term investment perspective and for putting it in writing is to protect the Pension Fund from *ad hoc* revisions of a sound long-term perspective. The written investment policy will help maintain a long-term perspective when short-term market movements may be distressing and the conditions seem unfavorable for the attainment of long-term objectives.

The development of this investment policy follows the basic approach underlying financial planning: assessment of the Pension Fund's financial condition, setting of investment objectives, development of a strategy to meet the objectives, implementation of the strategy, regular review of the results and adjustments of the strategy or the implementation as circumstances dictate.

Policy Objectives

The purpose of this Investment Policy Statement (IPS) is to establish a clear understanding regarding the Pension Fund's investment objectives and management practices between the City of Marietta/BLW Defined Benefit Pension Plan, its Investment Consultant and the Investment Managers engaged by the Pension Fund. This Investment Policy Statement will:

1. Establish reasonable expectations, objectives and guidelines for the investment of the assets in the Fund.
2. Create the framework for a well-diversified asset mix that can be expected to generate achievable long-term returns at a level of risk acceptable to the City of Marietta, including:
 - Describing an appropriate risk posture for the investment of the Pension Fund;
 - Specifying broad target asset allocation ranges and constraints;
 - Establishing investment guidelines regarding the selection of investment managers, permissible securities and diversification of assets;
 - Specifying the criteria for evaluating the performance of the Pension Fund's Investment Managers.
3. Ensure this policy and its implementation conforms to OCGA 47-20-82, OCGA 47-20-83 and OCGA 47-20-84.
4. Define the responsibilities of the City of Marietta/BLW Defined Benefit Pension Plan, the Consultant and the Investment Managers.
5. Encourage effective communication between the City of Marietta/BLW Defined Benefit Pension Plan, its Consultant and the Investment Managers.

The investment policies described in this IPS should be dynamic. They should reflect the City of Marietta/BLW Defined Benefit Pension Plan's philosophy and current status regarding the investment of the Pension Fund. These policies will be reviewed and revised periodically to ensure they adequately reflect any changes related to the Pension Fund and capital markets expectations.

Policy Implementation

The following steps were undertaken by the Board, in conjunction and with the assistance of the Consultant:

1. Assess the Pension Fund's financial situation—identify its goals and needs.
2. Determine its tolerance for risk and investment time horizon.
3. Set long term investment objectives.
4. Identify any restrictions on the Fund and its assets, in keeping with all applicable State of Georgia statutes.
5. Determine the asset classes and mix appropriate (the "Asset Allocation") to maximize the likelihood of achieving the investment objectives at an acceptable level of risk, and in keeping with the limitations imposed by the statute.
6. Determine the investment methodology to be used with regard to investment manager selection and retention, rebalancing disciplines, portfolio reviews and reporting, etc.
7. Implement the decisions.

INVESTMENT PHILOSOPHY

The basic tenets under which this Pension Fund will be managed include the following:

1. A recognition of the investment restrictions specified by the State of Georgia in OCGA 47-20-82, OCGA 47-20-83 and OCGA 47-20-84. The Pension Fund shall be managed and overseen by the Board to fully comply with these regulations.
2. Modern Portfolio Theory, as recognized by the 1990 Nobel Prize, will be the primary influence governing the way the portfolio will be structured and how subsequent decisions will be made. The underlying concepts of Modern Portfolio Theory include:
 - Pensions are risk averse. The only acceptable risk is that which is adequately compensated by potential portfolio returns.
 - Traditional equity and bond markets are generally efficient. It is difficult to know ahead of time the next direction of the market as a whole or of any individual security.
 - The portfolio as a whole is more important than an individual security. The appropriate allocation of capital among asset classes: equities (stocks), fixed income (bonds) and cash will have far more influence on long-term portfolio results than the selection of individual securities. Investing for the long term (preferably longer than ten years) becomes critical to investment success because it allows the long-term characteristics of the asset classes to surface.

- For every risk level, there exists an optimal combination of asset classes that will maximize returns. A diverse set of asset classes will be selected to help minimize risk. The proportionality of the mix of asset classes will determine the long-term risk and return characteristics of the portfolio as a whole.
 - The study of historical market behavior is used as a technique in modeling expected risk and returns. The selected time frames used in these models can greatly influence projected risks and returns.
 - Portfolio risk can be decreased by increasing diversification of the portfolio and by lowering the correlation of market behavior among the asset classes selected. (Correlation is the statistical term for the extent to which two asset classes move in tandem or opposition to one another.)
 - Asset diversification spreads the portfolio's investments among different assets to reduce individual investment risk. Asset allocation spreads investments among different classes of assets to reduce market risk. Systematic risk (i.e., market risk, liquidity risk and inflation risk) is common to all securities and cannot be eliminated entirely.
3. Equities offer the potential for higher long-term investment returns than cash or fixed income investments. Equities are also more volatile in their performance. Investors seeking higher rates of return must increase the proportion of equities in their portfolio, while at the same time accepting greater variation of results (including occasional declines in value).
 4. Investing globally helps to minimize overall portfolio risk due to the imperfect correlation between economies of the world. Investing globally has also been shown historically to enhance portfolio returns, although there is no guarantee that it will do so in the future.
 5. The underlying approach to the management of the Pension Fund shall be to optimize the risk/return relationship appropriate to the Pension Fund's needs and objectives. It will use a globally diverse portfolio of a variety of asset classes using institutional money management firms (investment managers) to invest in selected securities and strategies, and to periodically re-optimize (rebalance).

INVESTMENT OBJECTIVES/GOALS

The Board recognizes the importance of establishing investment performance objectives for the Pension Fund. The objectives establish a basis for judging the effectiveness of the Investment Policy Statement and the performance of the Investment Managers. The objectives are to be specific measurable standards that, when achieved, will ensure a well-funded retirement plan for the City of Marietta Employees. The specific investment return objectives for the Pension Fund shall be as follows:

1. Achieve or exceed the 7.25% actuarial rate of return as determined by the Pension Fund's actuary over a rolling five-year time period;
2. To exceed the rate of Inflation (as measured by the Consumer Price Index) by 3% over a rolling three-year time period;
3. To exceed the return of a balanced Market Index comprised of the Standard and Poor's 500 stock index and the Barclays US Aggregate Bond index in the proportions

equal to allowable limits as outlined in the Georgia State Legal Codes OCGA 47-20-82, OCGA 47-20-83 and 47-20-84;

4. For each engaged Investment Manager, realize an investment return, net of all fees, that exceeds their assigned benchmark(s) and the median of their peer group over a rolling five-year time horizon.

TIME HORIZON

This Investment Policy Statement assumes a long-term investment time horizon of ten years. Capital values do fluctuate over shorter periods and the Board recognizes that the possibility of capital loss does exist. However, historical asset class return data suggest that the risk of principal loss over a holding period of at least three to five years can be minimized with the asset diversification mix employed under this Investment Policy Statement.

RISK TOLERANCE

Investment theory and historical capital market return data suggest that, over long periods of time, there is a relationship between the level of risk assumed and the level of return that can be expected in an investment program. In general, higher risk (e.g., volatility of return) is associated with higher return.

Given this relationship between risk and return, a fundamental step in determining the investment policy for the Pension Fund is the determination of an appropriate risk tolerance. While the overall level of risk is governed in total by statutory constraints, within those constraints the City of Marietta/BLW Defined Benefit Pension Plan' risk tolerance is dictated by:

- Financial ability to accept risk within the investment program, and;
- Willingness to accept return volatility.

Taking these two factors into account, the Board rates the City of Marietta/BLW Defined Benefit Pension Plan' risk tolerance as moderate between bond and stock volatility, which historically falls between a 5% to 15% standard deviation, with an 8% to 10% target. The Board recognizes the difficulty of achieving the Fund's investment and financial objectives over the short run in light of the uncertainties of markets, and it accepts the volatility that will be experienced in order to achieve the Fund's long-term objectives. Accordingly, the Board will tolerate infrequent, very moderate negative returns through a market cycle according to each investment style. However, the overall effect of this Policy should be to minimize total volatility while maximizing total portfolio returns through diversification.

ASSET ALLOCATION

Investment Policy Mix

OCGA 47-20-82/83/84 provides guidance for investment policy on the basis of cost of securities when acquired for the portfolio. The following limits on the policy mix (target allocations are shown in the attached appendix) are established to comply with that guidance on a long-term basis.

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Target</u>
1. Equity	20.0%	55.0%	
A. Large Cap	10.0%	55.0%	
B. Small-Mid Cap	0.0%	30.0%	
C. International	0.0%	10.0%	
D. Public Real Estate (REITS)	0.0%	15.0%	
2. Fixed	15.0%	80.0%	
A. Investment Grade	15.0%	80.0%	
B. International	0.0%	7.5%	
3. Alternatives	0.0%	15.0%	
A. Convertible Bonds	0.0%	15.0%	

Permitted Security Types

1. Stocks, Bonds, Marketable Fixed Income Securities, Money Market Funds.
2. Separately Managed Accounts, Unitized Trusts-Commingled Trusts, Mutual Funds, Closed-End Funds.
3. Individual Stocks, as long as they are traded on a major U.S. or International Exchanges.
4. Individual Bonds, as long as they traded on a major U.S. or International exchange.

Categories of Approved Investment Securities

All Investment Managers shall manage their assigned portfolios to comply with Georgia State Legal Codes OCGA 47-20-83 and 47-20-84.

1. Marketable securities issued by, or guaranteed by the governments of the U.S. or Canada.

2. Marketable securities issued by U.S. and non-U.S. based companies, subject to the issuer's market capitalization and financial strength as specified in paragraphs (1), (11) and (12) of OCGA 47-20-83.
3. Mortgage-Backed and Asset-Backed fixed income securities subject to certain credit rating and purpose restrictions as detailed in paragraphs (9), (13) and (15) of OCGA 47-20-83.
4. Non-U.S. government and corporate issued equity and debt securities are allowed subject to the restrictions contained in paragraphs (1), (7) and (10) of OCGA 47-20-83, and paragraph (b) of OCGA 47-20-84.

Rebalancing Procedures

At least quarterly, the City of Marietta/BLW Defined Benefit Pension Plan Board, in conjunction with its Consultant, will review asset levels for each of the asset classes, Investment Managers and strategies, and determine if assets should or must be moved in order to remain within the prescribed Investment Policy limits or to achieve improved performance in the portfolio. On occasions when such moves are warranted, the Investment Consultant will prepare recommendations and rationale for presentation to the Board for their approval and subsequent directions to the City of Marietta/BLW Defined Benefit Pension Plan staff for execution.

Annual Review

At least once each year, the City of Marietta/BLW Defined Benefit Pension Plan, in conjunction with the Investment Consultant, will undertake to review the above asset classes, targets and ranges with respect for expected future performance, taking into consideration capital market expectations and economic forecasts. If warranted, the Consultant will prepare recommendations and rationale for revisions to this Investment Policy Statement to reflect a new Policy Mix for approval by the Board, and subsequent directions to the City of Marietta/BLW Defined Benefit Pension Plan staff for execution.

SELECTION/RETENTION CRITERIA FOR INVESTMENTS

Investment Manager Selection

Assets of the Fund will be managed by Registered Investment Advisers (RIAs) selected by the Board in conjunction with recommendations of the Investment Consultant. Investment Managers will serve as fiduciaries to the Fund and be responsible for prudent and careful selection of securities within their investment mandates.

Investment Managers shall be chosen using the following general criteria:

1. Past performance, considered relative to other investment managers having the same investment objective. Consideration shall be given to both performance rankings over various time frames and consistency of performance.
2. Investment return history is compliant with professional standards, (GIPS) and audited by a qualified audit firm.

3. Costs are comparable to other investment managers with comparable objectives and investment styles, and product structures.
4. Service commitment by the Investment Manager to serve the Fund through effective and honest communications.
5. Size of the proposed investment mandate, relative to the Investment Manager's existing size and capacity.
6. Length of time the Investment Manager has been in existence and length of time the strategy has been under the direction of the current portfolio manager(s), and whether or not there have been material changes in the Investment Manager's organization and personnel.
7. Organizational leadership and commitment of the firm to the portfolio management team.
8. Financial strength of the firm and its ownership stability.
9. Historical return volatility and downside risk of each proposed investment.
10. Complementary perspective to other asset strategies in the Fund.
11. Likelihood of future investment success, compared to other investment managers in consideration.

While the above criteria are definitive in nature, it must be emphasized that these criteria constitute a guideline, and, in the course of evaluating an Investment Manager, other criteria may come to light that is of such a compelling nature as to outweigh certain elements of the above for purposes of selection or de-selection.

Cash Equivalent Vehicles

The City of Marietta/BLW Defined Benefit Pension Plan's objective is to maintain a minimal cash balance and when possible to be fully invested. All cash equivalent investments shall be pooled investment vehicles, such as money market funds, where the Fund's share price is intended to remain constant and the Fund's yield is comparable with the current risk-free rate of return.

Cash Equivalent vehicles shall comply with the OCGA 47-20-83 and 47-20-84.

Fixed Income and Equity Investment Manager Selection and Retention

All Investment Managers shall invest their assigned assets of the Fund in full compliance with the Georgia State Codes 47-20-83 and 47-20-84.

1. Any selected Investment Manager shall invest in vehicles such as: a commingled account, a separate account or a mutual fund.
2. The investment management fees charged by the Investment Manager should be less than the average of their peers in the same investment strategy and structure.
3. The Investment Manager should have an investment track record of no less than three years in the strategy under consideration.
4. The Investment Manager's average annualized return, net of portfolio expenses, over a three-year time period or more, should be in the top half (top

third is the target) of the returns generated by other comparable investment managers as compiled by leading national databases.

5. The Investment Manager will incur investment downside risk no more than 20% above that incurred by comparable investment managers with the same investment objective, as measured by the product composite's "downside standard deviation" over a two-year period.

Once selected, should any engaged Investment Manager's performance fall below the 75th percentile of comparable managers in a large peer universe for a period of two years, the selected Investment Manager will be placed on probation for the subsequent twelve months. If, over the subsequent year, the Investment Manager's average return for the applicable three-year period remains below the 75th percentile, the City of Marietta/BLW Defined Benefit Pension Plan, in conjunction with the Consultant, will make a determination as to whether the Investment Manager's mandate continues to be a prudent and appropriate investment.

Otherwise the Fund's Trustees may place any Investment Manager on probation, or terminate any Investment Manager for any reason they determine to be in the best interest of the Fund.

The City of Marietta/BLW Defined Benefit Pension Plan recognizes that all investments go through cycles and, therefore, there will be periods of time in which the investment objectives are not met or when specific Investment Managers fail to meet their expected performance targets. Recognizing that no Investment Manager is perfect all the time and that good years help to make up for bad ones, the City of Marietta/BLW Defined Benefit Pension Plan acknowledges the principle that Investment Managers must be given an opportunity to make up for poor periods. Unless there are extenuating circumstances, patience will often prove appropriate when performance has been disappointing.

The City of Marietta/BLW Defined Benefit Pension Plan staff and the Investment Consultant shall evaluate the organizational health of each Investment Manager at least annually. The evaluations shall consider the organizational stability and leadership depth of the firm, its investment processes and the operations. Investment Managers will be obligated to report organizational changes within their leadership, ownership and/or in their investment process promptly to the Investment Consultant. The City of Marietta/BLW Defined Benefit Pension Plan shall consider the stability and discipline within each Investment Manager and make investment manager changes when they determine such changes may be in the best interest of the Fund. As a matter of course, the Consultant and the Investment Managers shall keep the City of Marietta/BLW Defined Benefit Pension Plan apprised of any material changes in their outlook, recommended investment strategy and tactics.

Any material event that affects the ownership of the Investment Consultant or the Investment Manager or the management of the assets must be reported immediately to the City of Marietta/BLW Defined Benefit Pension Plan.

FREQUENCY OF REVIEW

Reports

1. The Consultant shall arrange for the Investment Managers to provide the City of Marietta/BLW Defined Benefit Pension Plan with a report each month that shows the market values and returns for the assets under their management.

2. The Consultant shall provide no less frequently than on a monthly basis and within 15 business days within the end of each such month a performance report that meets the requirements of the City of Marietta/BLW Defined Benefit Pension Plan.
3. Each quarter, the Consultant and each Investment Manager shall prepare comprehensive performance reports that accurately report the investment performance of the Fund and each underlying portfolio. The quarterly reports will also include a review of the factors that contributed to the reported performance, and a review of economic and market behavior and conditions.

DUTIES AND RESPONSIBILITIES

The Investment Manager(s)

The Investment Managers are expected to manage their assigned asset style mandates in a manner consistent with this Investment Policy Statement, with their specific policy found in the appendix, and in accordance with the Georgia State Codes (OCGA 47-20-82, 47-20-83 and 47-20-84), Federal law and the Uniform Prudent Investor Act.

The Investment Managers shall:

1. Have full discretion with respect to market timing and security selection.
2. Employ internal controls to assure that the investments will be managed in compliance with all controlling statutes and regulations.
3. Have stated guidelines to establish minimum expectations.
4. Within thirty days of the end of the calendar quarter, provide to the City of Marietta/BLW Defined Benefit Pension Plan and its Consultant a statement indicating:
 - a. The portfolio composition at cost and market value by sector.
 - b. All individually-named securities and their respective market values.
 - c. All cash transactions, including any transfers of Fund assets.
 - d. Adherence to the Investment Policy.
 - e. A list of any securities not in compliance with the list of security restrictions.
 - f. A copy of their proxy voting record for the previous quarter.
5. Each year, provide a copy of their proxy voting policies and procedures.
6. Each year, provide to the Board and the Investment Consultant a copy of Section II of the Investment Manager's Form ADV (registration form filed with the SEC each year).
7. Be expected to produce on request documentation in support of buy, sell and hold decisions.

The Consultant

The Consultant is expected to consult on the Fund in a manner consistent with this Investment Policy Statement and in accordance with the Georgia State Codes, (OCGA 47-20-82, OCGA 47-20-83 and 47-20-84) and Federal

law and the Uniform Prudent Investor Act. The Consultant is a Registered Investment Adviser and shall act as the Investment Consultant to the City of Marietta/BLW Defined Benefit Pension Plan until the City of Marietta/BLW Defined Benefit Pension Plan decides otherwise.

The Consultant shall be responsible for:

1. Designing, recommending and implementing an appropriate asset allocation plan consistent with the investment objectives, time horizon, risk profile, guidelines and constraints outlined in this statement.
2. Recommending an appropriate custodian to safeguard the Fund's assets.
3. Recommending Investment Managers within each asset category.
4. Providing each Investment Manager with a current copy of the IPS.
5. Write manager specific policies as necessary.
6. Monitoring the performance of all selected Investment Managers.
7. Recommending changes to any of the above.
8. Periodically reviewing the suitability of the Fund's investments for the City of Marietta/BLW Defined Benefit Pension Plan.
9. Preparing and presenting appropriate performance reports.

The Consultant will not take title to any assets, nor shall the Consultant exercise discretionary control over any of the Fund's assets. The Consultant shall be responsible only for making recommendations to the City of Marietta/BLW Defined Benefit Pension Plan and to carry out its responsibilities as directed by the City of Marietta/BLW Defined Benefit Pension Plan.

City of Marietta/BLW Defined Benefit Pension Plan

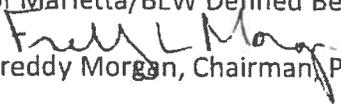
The City of Marietta/BLW Defined Benefit Pension Plan shall be responsible for:

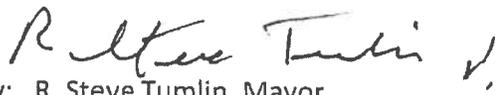
1. The oversight of the Fund.
2. Defining the investment objectives and policies of the Fund.
3. Directing its Consultant to make changes in the Investment Policy, and to oversee and to approve or disapprove the Consultant's recommendations with regard to policy, guidelines, objectives, Investment Manager searches, monitoring and performance oversight on a timely basis.
4. The City of Marietta/BLW Defined Benefit Pension Plan shall provide the Consultant with all relevant information on the City of Marietta/BLW Defined Benefit Pension Plan's financial conditions and risk tolerances, and shall notify the Consultant promptly of any changes to this information.

ADOPTION

Adopted by the below signed:

City of Marietta/BLW Defined Benefit Pension Plan

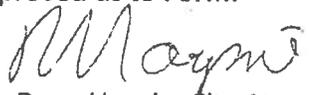

By: Freddy Morgan, Chairman Pension Board


By: R. Steve Tumlin, Mayor


By: Stephanie Guy, City Clerk

Date: 6-14-17

Approved as to Form:


By: Doug Haynie, City Attorney

Date: 6-14-17

APPENDIX

Allocation target ranges are provided to accommodate fluctuations in market value while providing guidance to the City of Marietta/BLW Defined Benefit Pension Plan and its Consultant regarding the appropriate mix of assets relative to portfolio performance, current capital market expectations and economic conditions. The following policy mix is established to comply with the guidance of OCGA 47-20-82/83/84 on a long-term basis while providing the greatest potential for the portfolio to achieve its investment objectives.

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Target</u>
1. Equity	20.0%	55.0%	50.0%
A. Large Cap	10.0%	55.0%	
B. Small-Mid Cap	0.0%	30.0%	
C. International	0.0%	10.0%	
D. Public Real Estate (REITS)	0.0%	15.0%	
2. Fixed	15.0%	80.0%	40.0%
A. Investment Grade	15.0%	80.0%	
B. International	0.0%	7.5%	
3. Alternatives	0.0%	15.0%	10.0%
A. Convertible Bonds	0.0%	15.0%	

Date Recommended: *May 10, 2017*

City of Marietta/BLW Defined Benefit Pension Plan

By: Freddy Morgan, Chairman, Pension Board

Freddy L Morgan