

INVESTMENT MANAGEMENT AGREEMENT

The CITY OF MARIETTA/BLW DEFINED BENEFIT PENSION PLAN ("Client") hereby appoints Westfield Capital Management Company, L.P. ("Westfield"), a Delaware limited partnership registered with the U.S. Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940, as amended, as investment manager with respect to the investment portfolio ("Account") as defined and described in this Investment Manager Agreement ("Agreement"). The Agreement is made on August 20, 2018, and is effective upon acceptance by Westfield. The Client and Westfield agree to the following terms and conditions:

1. **Investment Management Services.** Westfield will direct, in their sole and absolute discretion, the investment and reinvestment of the Account in securities, cash or other assets in accordance with the investment objective, policies and limitations set forth in the Westfield All Cap Growth Equity Product Guidelines ("Product Guidelines") located in **Appendix A** of this Agreement, subject to any applicable written portfolio guidelines or restrictions provided by the Client. In managing the Account, Westfield may take risks which in its judgment are reasonable in relation to the potential return. Additionally, deviations from portfolio guidelines and restrictions may result from fluctuations in market prices, abnormal market conditions or other reasons beyond the control of Westfield. In such cases, Westfield may decide to refrain from returning the Account into compliance as long as Westfield has determined it to be prudent and in the best interest of the Client. In the event the Client wishes to change the investment objective, restrictions or guidelines of the Account, the Client should do so in writing.
  - a. Westfield is not responsible for investing assets either initially or subsequently placed in the Account unless and until the Client notifies Westfield in writing of their existence within the Account. The Client may make additions to or cause withdrawals from the Account at such times and in such amounts as they shall determine. Withdrawals shall be done in cash unless the Client instructs Westfield to effect an in-kind withdrawal. The Client will promptly notify Westfield in writing of any addition to or withdrawal from the Account, and Westfield will confirm receipt of such notice prior to making the necessary trades in the Account. Such notifications shall not be deemed received until they have been confirmed by Westfield.
  - b. The Client represents that the decision to invest the Account in accordance with the Product Guidelines complies with the Client's governing documents and applicable law. Westfield is not responsible for ensuring that the Client's overall portfolio is properly diversified. Except as may be specifically enumerated in the Product Guidelines or portfolio guidelines, Westfield is not prohibited from purchasing the securities of any issuer that otherwise may be consistent with the Product Guidelines. The Client understands that Westfield will manage only the investments held in the Account. The Client also acknowledges and confirms that, in engaging Westfield, the Client has made an independent decision, perhaps with the assistance of an adviser other than Westfield, to invest the Account assets according to the Product Guidelines.
  - c. The Client understands that Account investments are subject to risks associated with investing in securities, including various market, currency, economic, political and business risks. Westfield makes no warranty, representation or guaranty: (i) as to the performance of the Account's investments; (ii) that the investment advice or strategies

employed by Westfield will be successful; (iii) that the investment objective will be met; or (iv) that any one or more specific individuals will be responsible for supplying the services required by this Agreement.

2. **Authority of Investment Manager.** The Client hereby authorizes Westfield, as their agent and attorney-in-fact, without obtaining consent or consulting with the Client or any other person (i) to issue instructions to purchase, sell and otherwise trade in or deal with any security or other asset in the Account, for the Account and at the Client's risk, to brokers or dealers that Westfield may select or the Client may designate to Westfield in writing; (ii) to instruct any trustee or custodian to deliver any security sold, exchanged or otherwise disposed of from the Account and to pay cash for securities or other assets delivered to any trustee or custodian upon acquisition for the Account; (iii) to negotiate and execute documents or agreements relating to the foregoing on the Client's behalf; (iv) to employ an affiliate or a third party to perform any accounting, administrative, reporting and ancillary services required to enable Westfield to perform its functions under this Agreement; and (v) generally to perform any other act necessary to enable Westfield to carry out the obligations under this Agreement.

3. **Execution of Transactions.**

a. EM Please initial here if the Client will allow Westfield to select the brokers and dealers to execute portfolio transactions for the Account ("free trading"). If Westfield is authorized to select the brokers or dealers to execute portfolio transactions for the Account, Westfield will seek to obtain the most favorable price and best execution available. Subject to the foregoing and to applicable regulations, Westfield may cause the Account to pay a broker-dealer providing brokerage and research services, within the meaning of Section 28(e) of the Securities and Exchange Act of 1934, an amount of commission for effecting a transaction in excess of the amount another broker-dealer would have charged for effecting the transaction, provided that Westfield determines in good faith that the amount of commission is reasonable in relation to the value of the brokerage and research services provided, viewed in terms of either the particular transaction or our overall responsibilities with respect to the accounts as to which Westfield exercises investment discretion.

b. \_\_\_\_\_ Please initial here if the Client is directing Westfield to place brokerage transactions with \_\_\_\_\_ or such other brokers as the Client may from time to time designate in writing ("fully directed"). The Client hereby acknowledges the following concerning such directed brokerage arrangements: (i) a client who directs Westfield to use a specific broker may pay higher commissions on some transactions than might be attainable by Westfield, or may receive less favorable execution of some transactions than might be attainable by Westfield, or both; (ii) such client may forego any benefits or savings in execution costs that Westfield could obtain for our clients through negotiating volume discounts on batched transactions, as trades for directed accounts are generally executed after those accounts with no directed brokerage instruction; (iii) a client directing brokerage may not be able to participate in an allocation of shares of a new issue if those new issue shares are provided by another broker; (iv) the client may direct Westfield to use a particular broker from whom Westfield receives or may receive referrals, and Westfield may derive a benefit from this; (v) a client who directs brokerage may prevent Westfield from receiving research-related

products and services available from other brokers as permitted under Section 28(e) of the Securities and Exchange Act of 1934; and (vi) a client directing brokerage may receive less favorable execution because directed transactions may be executed after those transactions for which Westfield has discretion to select the broker.

- i. Brokerage Account Number: \_\_\_\_\_
- ii. Contact at Brokerage Firm: \_\_\_\_\_
- iii. Commission Rate: \_\_\_\_\_

c. \_\_\_\_\_ Please initial here if the Client is directing Westfield to place brokerage transactions with a specific broker subject to Westfield's duty to provide best execution ("directed with best"). Under this arrangement, the Client may direct Westfield to place brokerage transactions with \_\_\_\_\_ or such other brokers as the Client may from time to time designate in writing while agreeing that Westfield may place a substantial number of brokerage transactions for the Account with one or more brokers not designated by the Client in writing, if Westfield determines that it is in the Account's best interests to do so after considering, among other things, the nature and availability of the types of securities in which the Account will invest and the brokerage costs (including possible settlement delays) associated with various brokers. The Client also acknowledges that, to the extent Westfield places brokerage transactions pursuant to this section, Westfield may receive brokerage and research services within the meaning of Section 28(e) of the Securities and Exchange Act of 1934.

- i. Brokerage Account Number: \_\_\_\_\_
- ii. Contact at Brokerage Firm: \_\_\_\_\_
- iii. Commission Rate: \_\_\_\_\_

d. \_\_\_\_\_ Please initial here if your selection of (c) above includes a commission recapture arrangement.

4. **Custodial Arrangements.** Custody of the assets of the Account shall be maintained with the custodian designated by the Client to Westfield in writing (the "Custodian"). The Custodian will be a "qualified custodian" as that term is defined in Rule 206(4)-2 under the Investment Advisers Act of 1940. Westfield will not take custody of any assets of the Account, but will issue settlement instructions to the Custodian. Westfield will have no responsibility for the collection of dividends and interest on securities or other investments, or for paying any fees or charges of the Custodian. Westfield will notify the Custodian of transactions as they are executed and assist the Custodian as necessary in settling transactions for the Account. The Client hereby authorizes Westfield to give the Custodian instructions for the purchase, sale, conversion, redemption, exchange or retention of any security or other investment for the Account. Westfield will not be liable for any act or omission of the Custodian, and the Client agrees to notify Westfield, in writing, of any material changes with respect to the Account's Custodian, including reasonable prior notice of any intention to appoint a successor custodian and to ensure that any such successor custodian is also a qualified custodian. Furthermore, the Client agrees that (i) the Client will instruct the Custodian to provide prompt written confirmation to Westfield of any transfer of funds into or out of the Account, and (ii) that Westfield cannot carry out the Client's instructions regarding transfers to or from the Account

until Westfield receives written confirmation from the Custodian that sufficient funds are available in the Account to carry out such instructions.

5. **Reports.** Westfield will send the Client an inventory of the investments of the Account, including the valuation of such investments, as soon as practicable after the end of each monthly period. **If applicable, please complete Appendix B, listing additional parties that should receive such reports.**

In computing the value of any assets in the Account, each security listed on a national securities exchange shall be valued at the last sale price on the valuation date; each security listed on the NASDAQ National Market System will be valued at the official NASDAQ closing price; and each other security that is regularly traded in the over-the-counter market shall be valued at the latest available bid price quotation furnished to use by sources Westfield deems appropriate. Any other assets (including cash and receivables in respect of securities sold) shall be valued in such a manner as shall be determined by Westfield in accordance with Westfield's standard valuation procedures to reflect their fair market value. Westfield will also furnish the Client with such other information concerning the Account as the Client may reasonably request, and Westfield agrees to provide in writing.

6. **Electronic Delivery.** The Client agrees and consents to receive all notices, records and other types of information that are provided to it by Westfield in connection with the Account (e.g., monthly reports, investment and market commentaries, disclosure documents, notifications, etc.) electronically. These communications will be provided either by e-mail to the last e-mail address provided by the Client or by access to an internet web site (Westfield will send an e-mail notice alerting Client of availability of documents). The Client can change their consent to receive electronic reporting by notifying Westfield via e-mail or mail. It is the responsibility of the Client to provide Westfield with true, accurate and complete e-mail address, contact, and other information related to the Account, and to maintain and update Westfield promptly of any changes to this information.

7. **Compensation.** Westfield shall be entitled to compensation for their services in accordance with the attached fee schedule in **Appendix C**. Fees will be billed quarterly in arrears based on the total market value of the Account on the last business day of each calendar quarter. The first billing will be as of the first quarter end coinciding with the signed date of this Agreement. In the case of commencement or termination of this Agreement during any calendar quarter, the fee shall be prorated for the appropriate number of days in the billing period. All brokerage, other transactional costs of the Account, and applicable taxes shall be paid by the Client and charged to the Account when incurred. The Client hereby authorizes Westfield to invoice the Custodian directly for their fees hereunder. The Client understands that Westfield will simultaneously send a copy of the bill to the Client. The Client agrees to instruct the Custodian to pay such fees directly to Westfield by signing a copy of the enclosed fee authorization letter attached as **Appendix D**. If no such instruction is provided, Westfield will bill the Client directly.

8. **Confidentiality.** Except as otherwise agreed in writing, as required by law, or requested by a regulatory authority, each party shall preserve the confidentiality of any nonpublic information provided by the other party, including without limitation information concerning the identity, financial affairs or investments of the Account and the terms and conditions of this Agreement

("Confidential Information"). Confidential Information shall be used by the parties solely in the performance of their respective obligations pursuant to this Agreement. The parties may provide Confidential Information to their officers, directors or employees, agents and third-party service providers for the purpose of providing or facilitating the provision of the services contemplated by this Agreement. This Confidentiality provision shall survive one year after termination of this Agreement in accordance with Section 17.

9. **Class Actions.** Westfield will not advise or act for the Client in legal proceedings, including class actions or bankruptcies, involving securities purchased or held in the Account.
10. **Other Investment Accounts.** The Client understands that Westfield serves as investment manager for other clients and will continue to do so. The Client also understands that Westfield and its personnel may give advice or take action in performing its duties to other clients or for their own accounts that differs from advice given or the timing or nature of action taken for the Account. Westfield is not obligated to buy, sell or recommend for the Account any security or other investment that Westfield or their personnel may buy, sell or recommend for any other client or for their own accounts. This Agreement does not limit or restrict in any way Westfield or its personnel from buying, selling or trading in any securities or other investments for their own accounts. The Client acknowledges and agrees that Westfield may make different investment decisions with respect to each of its clients, and that such fact shall not be relied upon by the Client or any of its agents or representatives as evidence of a breach of Westfield's duties hereunder.
11. **Limitation of Liability.** Westfield shall not be responsible for any act or omission of any broker, dealer, custodian or similar agent of the Account or for the accuracy of any information furnished to Westfield by the Client or any other person. Westfield shall not be responsible for any loss resulting from anything done or omitted to be done in good faith reliance on any written instructions from the Client or any of its authorized agents or representatives.

Unless the third party service provider has been directly engaged by Westfield, Westfield will assume no responsibility for any action taken or omitted, misconduct or negligence of any third-party service providers who may be servicing the Account. Westfield shall not be liable for any act or omission of any broker, dealer, custodian or similar agent for the Account. Nothing in this Agreement shall constitute a waiver or limitation of any rights that the Client may have under applicable federal or state law.

Westfield will indemnify the Account against any realized direct losses that are payable to third parties arising solely from a breach of this Agreement by Westfield alone. Notwithstanding the previous sentence, Westfield has no liability and no obligation to indemnify the Account if the breach is induced by or based on actions of the Client. The Client will allow Westfield the sole control of the defense and settlement of any third-party claim naming Westfield, provide prompt notice to Westfield of the third-party claim, and reasonably cooperate in the defense of any third-party claim at its expense.

The federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith (and may preclude indemnification for such actions) and therefore nothing herein shall in any way constitute a waiver or limitation of any rights that the Client may have under such laws.

12. **Proxy Voting.** The Client hereby authorizes Westfield to vote proxies according to Westfield's proxy voting policy for securities held in the Account. The Client agrees to instruct the Custodian to forward promptly to Westfield, or to our designated third party proxy vendor, copies of all proxies and shareholder communications relating to securities held in the Account (other than materials relating to legal proceedings). Although Westfield will use best efforts to locate any missing ballots, the Client agrees that Westfield will not be responsible with regard to voting of proxies if Westfield has not received such proxies or related shareholder communications on a timely basis. Westfield has the authority to engage a service provider to vote the Account's proxies. The Client may obtain a copy of our proxy voting policies and procedures by visiting Westfield's website [www.westfieldcapital.com](http://www.westfieldcapital.com) or by contacting Westfield directly.

- a. For **Standard Proxy Voting Guidelines** please check here:
- b. For **Socially Responsible Investing Proxy Voting Guidelines** please check here:
- c. For **Sustainability Proxy Voting Guidelines** please check here:
- d. For **Taft Hartley Proxy Voting Guidelines** please check here:
- e. For **quarterly** proxy reports please check here:
- f. For **annual** proxy reports please check here:

13. **New Issue Rule (FINRA Rule 5130) & IPO Allocation Rule (FINRA Rule 5131).** Pursuant to FINRA 5130 and 5131, the Client acknowledges that the Account is eligible to receive shares of initial public offerings ("new issues"). If the Account's eligibility changes, the Client will promptly notify Westfield.

- a. If the Account is **not eligible** to receive new issues, please check here:

14. **Disclosure Documents.** The Client acknowledges receipt before or at the time of signing this Agreement of Westfield's most recent **Form ADV Part 2A and 2B, Privacy Notice and National Instrument 31-103 Notice (if applicable)**. Future material updates to these documents will be provided to the Client via mail or e-mail (if Client has chosen electronic reporting).

15. **Representations.** Westfield represents that it is registered as an investment adviser under the Investment Advisers Act of 1940, as amended, and is authorized and empowered to enter into this Agreement. The Client represents that it is authorized and empowered to enter into this Agreement. If this Agreement is being signed on behalf of a corporation, partnership, trust or other business or legal entity, the Client further represents that applicable law and governing documents authorize and permit this Agreement. The Client further represents that it is (i) experienced in the engagement of investment advisers and (ii) aware of the risks associated with such engagements, including the risk that the Account could suffer diminution in value.

16. **Notices.** All notices to Westfield required or permitted to be given pursuant to the Agreement shall be in writing and shall be deemed given when actually delivered by facsimile, personal service or by mail or overnight courier to the address below. Either party hereto, by written notice to the other party, may designate a different address, email address, or facsimile number for subsequent notices or communications. Westfield Capital Management Company, L.P. One Financial Center, 23rd floor, Boston, MA 02111 Attn: Chief Compliance Officer.

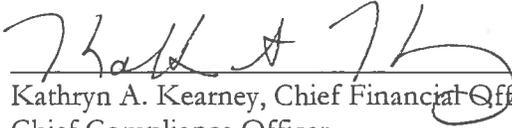
17. **Term; Termination.** This Agreement is effective as of the date of the Agreement and will continue in effect until terminated by the Client upon 30 days written notice to Westfield, or by Westfield upon 30 days written notice to the Client. Termination of this Agreement shall not affect (i) the validity of any action previously taken by Westfield hereunder; (ii) liabilities or obligations of the parties from transactions initiated before termination; or (iii) the Client's obligation to pay Westfield's prorated fees through the date of termination. Upon such termination, Westfield shall have no obligation to recommend or take any action with regard to the securities or other assets in the Account.
18. **Assignment.** This Agreement may not be assigned (within the meaning of the Investment Advisers Act of 1940, as amended) by either party without the consent of the other party. For purposes of determining consent in the event of an assignment, Westfield will send the Client written notice of such assignment. If the Client does not object in writing within [sixty (60) days] of the sending of such notice, the Client will be deemed to have consented to the assignment.
19. **Force Majeure.** No party to this Agreement shall be liable for any failure or delay in performing any of its obligations under or pursuant to this Agreement, and any such failure or delay in performing its obligations will not constitute a breach of this Agreement, if such failure or delay is due to any cause whatsoever outside its reasonable control, and such party shall be entitled to a reasonable extension of the time for performing such obligations as a result of such cause. Events outside a party's reasonable control shall include, without limitation: acts of God, human pandemic, earthquake, storm, accident, fire, lock out, power failure, strike, any change to the law, order or regulation of a governmental, supranational or regulatory body; moratorium, currency restrictions, devaluations and fluctuations; any act of war or enemy action or terrorism, insurrection, revolution, riot, civil commotion or rebellion; market conditions affecting the execution or settlement of transactions or the value of assets; failure of breakdown in communications not reasonably within the party's control; and the failure of any relevant exchange or clearing house and shall include any event or circumstance that the party is unable, using reasonable skill and care, to avoid.
20. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of Georgia without giving effect to any other conflict or choice of law provisions of Georgia, provided that nothing in the Agreement will be construed in any manner inconsistent with applicable provisions of applicable federal law.
21. **Arbitration.** All controversies that may arise out of this Agreement concerning any transaction or the construction, performance or breach of this Agreement may be initially adjudicated via non-binding arbitration. This agreement to arbitrate does not constitute a waiver of the right to seek a judicial forum where such a waiver would be void under the federal securities laws. Any arbitration shall be held in Georgia, pursuant to the rules, then applying, of the American Arbitration Association. Any arbitration shall be before one arbitrator, unless the rules of the American Arbitration Association then applying provide otherwise. In all arbitration cases, unless otherwise agreed by the parties in writing, the neutral arbitrator shall have experience in the area of municipal and/or benefits law. If, after an arbitration award is rendered, the parties agree with the award, judgment on the award may be entered in any court having jurisdiction.

If, after an arbitration award is rendered, both parties do not agree with the award, the dissatisfied party may instigate litigation in court.

22. **Representative Client List Authorization.** It is Westfield's policy to obtain permission from clients to use their name in marketing materials and on the company's website. Unless otherwise directed, Westfield may use the Account's name in a broader list of representative clients with no mention of the specific mandate, Product Guidelines, or any indication of endorsement of Westfield by the Client.
23. **Miscellaneous.** This Agreement, including the appendices, constitutes the entire understanding of the parties with respect to the matters referred to herein, and no other agreement, verbal or otherwise, shall be binding as between the parties. This Agreement may not be amended except by the written consent of each of the parties. No failure or delay on the part of either party in exercising any right, power or remedy pursuant to this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof, or the exercise of any other right, power or remedy. If any provision of this Agreement is determined to be void or unenforceable, the remainder of this Agreement shall remain in full force and effect and such void or unenforceable provision shall be amended to include a valid and enforceable provision that effects, as closely as possible, the original intent of the parties. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute but one and the same instrument.

Accepted by:

WESTFIELD CAPITAL MANAGEMENT COMPANY, L.P.

  
Kathryn A. Kearney, Chief Financial Officer &  
Chief Compliance Officer

9/12/18  
Date

If these terms meet with your approval, please so indicate by signing and returning two original copies of this Agreement for our acceptance and countersignature, whereupon this Agreement shall become a binding agreement between the Client and Westfield.

Accepted by:

CITY OF MARIETTA/BLW DEFINED BENEFIT PENSION PLAN

  
Signature

8-22-2018  
Date

Robert B. Moss  
Name

PENSION BOARD CHAIRMAN  
Title

58-6000616  
Account Tax ID

APPENDIX A

ALL CAP GROWTH EQUITY PRODUCT GUIDELINES

The assignment is to manage an all cap growth equity portfolio with an objective of maximizing long-term return without taking excessive risk. Guidelines stated below for the All Cap Growth Equity product are as of the date of the execution of the Agreement, and may change from time to time. Material revisions to such product guidelines shall be communicated in Westfield's Form ADV Part II.

Specific guidelines are as follows:

- ◆ Holdings – Maintain a diverse portfolio generally between 40-65 equity securities.
- ◆ Issuer Maximum – Typically, no equity position will exceed the greater of either five percent of the portfolio or two percent more than the security's benchmark weight, both valued at market. Initial portfolio weightings are set by the Investment Committee and are typically less than 2%.
- ◆ Sector Limits – 20 percent of the total market value of the portfolio or 2.5x the benchmark weight, whichever is greater.
- ◆ Cash & Equivalents – Cash is a residual of the investment process, and it is expected that the portfolio will be fully invested at all times. Cash is to be used for transaction purposes only and should not exceed 10 percent of the total market value of the portfolio.
- ◆ Performance Benchmark – Performance is expected to exceed that of the Russell 3000® Growth Index as well as a Peer Group average of similar-style managers over three-year and five-year time horizons.
- ◆ Derivatives – The use of derivative instruments that create or add leverage is prohibited. Derivatives may be used only to hedge an existing security or to implement a risk-reduction strategy. The manager must submit a written policy on the use of derivative strategies prior to such use.
- ◆ Allowable Securities – The portfolio may be invested in the following:
  - ◆ All Cap Securities – All cap securities are defined as stocks with any market capitalization.
  - ◆ American Depositary Receipts (ADRs), which are dollar-denominated negotiable certificates traded on domestic U.S. stock exchanges, and non-U.S. incorporated stocks traded in U.S. dollars on U.S. stock exchanges may be held to a maximum of 15 percent. The aforementioned limitation would not apply to U.S. companies that transfer their registration to reduce their U.S. tax liability.

- ◆ High Quality A-1, P-1 rates short-term instruments.
- ◆ We will not initiate positions in de-listed stocks, but may selectively maintain positions in de-listed stocks if we believe the fundamental case for investment remains intact.

APPENDIX B

CLIENT REPORTING FORM

The Client hereby requests that Westfield send statements for the Account to the following individuals:

Name: Scott Arnwine

Name: Ian Janecek

Company: GAVION

Company: GAVION

Title: Senior Consultant

Title: Senior Consultant

Address: 6000 Poplar Avenue, Suite 325

Address: 6000 Poplar Avenue, Suite 325

Memphis, TN 38119

Memphis, TN 38119

Phone: 901-761-8080

Phone: 901-761-8080

Fax: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: scott.arnwine@gavionllc.com

Email: ian.janecek@gavionllc.com

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Company: \_\_\_\_\_

Company: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Email: \_\_\_\_\_

Client agrees to notify Westfield in writing of any changes to this list. Please attach additional pages if necessary.

APPENDIX C

ALL CAP GROWTH EQUITY FEE SCHEDULE

Westfield's annual investment management fee shall be:

0.75% per annum on the first \$25 million

0.65% per annum on the next \$75 million

0.50% per annum on the balance

APPENDIX D

FEE AUTHORIZATION LETTER

Date: February 14, 2018

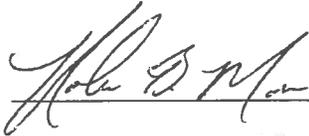
Custodian: SunTrust  
Address: 303 Peachtree Street, 2<sup>nd</sup> Floor  
Atlanta, GA 30308

RE: CITY OF MARIETTA/BLW DEFINED BENEFIT PENSION PLAN

Ladies and Gentlemen:

Please consider this your authorization to pay Westfield Capital Management Company, LP investment management fees for the above referenced account.

Sincerely,

By: 

Name: ROBERT B. MOSS

Title: PENSION BOARD CHAIRMAN

Not Applicable

APPENDIX E

AUTHORIZED PERSONS

In addition to duly authorized officers and signatories of the Client, Westfield is authorized to take direction from the following individuals or entities with regard to requests, cash withdrawals, and transfer requests:

Company: CITY OF MARIETTA/BLW  
DEFINED BENEFIT PENSION PLAN

Company: CITY OF MARIETTA/BLW  
DEFINED BENEFIT PENSION PLAN

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Company: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Client agrees to notify Westfield in writing of any changes to the list of authorized persons.



# City of Marietta

205 Lawrence Street  
Post Office Box 609  
Marietta, Georgia 30061

## Motion Signature

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File Number: 20170504

### 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

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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

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## 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>
<b>1. Equity</b>	<b>20.0%</b>	<b>55.0%</b>	
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%	
<b>2. Fixed</b>	<b>15.0%</b>	<b>80.0%</b>	
A. Investment Grade	15.0%	80.0%	
B. International	0.0%	7.5%	
<b>3. Alternatives</b>	<b>0.0%</b>	<b>15.0%</b>	
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 75<sup>th</sup> 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 75<sup>th</sup> 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

*Freddy L Morgan*  
By: Freddy Morgan, Chairman, Pension Board

*R Steve Tumlin*  
By: R. Steve Tumlin, Mayor

*Stephanie Guy*  
By: Stephanie Guy, City Clerk

Date: 6-14-17

**Approved as to Form:**

*Doug Haynie*  
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>
<b>1. Equity</b>	<b>20.0%</b>	<b>55.0%</b>	<b>50.0%</b>
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%	
<b>2. Fixed</b>	<b>15.0%</b>	<b>80.0%</b>	<b>40.0%</b>
A. Investment Grade	15.0%	80.0%	
B. International	0.0%	7.5%	
<b>3. Alternatives</b>	<b>0.0%</b>	<b>15.0%</b>	<b>10.0%</b>
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*