CITY OF NEW HAVEN CITY EMPLOYEES' RETIREMENT FUND

INVESTMENT OBJECTIVES AND GUIDELINES

As amended through May 15, 2019

As further amended through October 20, 2021

INTRODUCTION

The City of New Haven City Employees' Retirement Fund (the "Plan", or the "Fund" or "CERF") is a defined benefit pension plan established to provide retirement benefits to participants in accordance with the benefit structure set forth in the Plan documents. The Plan operates under the Connecticut Uniform Prudent Investor Act, Connecticut General Statutes, sections 45a-541 to 45a-541l, inclusive. The Board of Trustees of the Fund (the "Board" or "Trustees") shall exercise reasonable care, skill and caution and invest and manage trust assets as a prudent investor would, by considering the purpose, terms, distribution requirements and other circumstances of the Plan. Investments of the Plan shall be made in full accordance with any and all applicable Connecticut statutes, as well as any other applicable legislation or regulation, state, federal or otherwise. The Trustees will not make Economically Targeted Investments as defined in 29 CFR § 2509.2015-01, which are investments selected for the economic benefits they create apart from the return to an employee pension fund. The Board will not select, reject or divest an investment for the purpose of promoting social, environmental and/or political goals or objectives.

The policy statement (the "Investment Policy Statement") is issued for the guidance of fiduciaries, including the members of the Board and Investment Managers, in the course of investing the assets of the Plan.

The Investment Policy Statement may be amended by the Board both upon their own initiative and upon consideration of the advice and recommendations of the Investment Managers and fund professionals. Proposed modifications should be documented in writing to the Plan.

STATEMENT OF GOALS AND OBJECTIVES

This statement of investment goals and objectives is set forth in keeping with the fiduciary requirements under existing federal, state and local laws. Its purpose is to set forth an appropriate set of goals and objectives for the Plan's assets and to define guidelines within which the Investment Managers may formulate and execute their investment decisions.

> Total return, consistent with prudent investment management, is the primary goal of the Plan. The total minimum return target is 8.0% net compounded annually. The current long term rate of return is 7.75%. The total minimum return target and the long term rate of return shall be determined by the Trustees. Total return, as used herein, includes income plus realized and unrealized gains and losses on Plan assets. In addition, assets of the Plan shall be invested to ensure that principal is preserved and enhanced over time.

The total return for the overall Plan shall meet or exceed the Plan's Asset Allocation Policy Index (as described in Appendix I) and consistently rank in the top-quarter of total funds.

Total portfolio risk exposure and risk-adjusted returns will be regularly evaluated and compared with a universe of similar funds for the Plan and each Investment Manager. Total portfolio risk exposure should be in line with or better than the objectives of the Plan. Risk-adjusted returns are expected to consistently rank in the top-quarter of comparable funds. The risk-adjusted returns should be reviewed periodically (at least biannually) by the Board at the Trustees' Annual Meeting and appropriate changes should be adopted by the Board taking into consideration the recommendations of the Investment Consultant and the Fund's actuary.

Investment Managers shall exceed the return of the designated benchmark index noted below and rank in the top-quarter of the appropriate asset class and style universe.

Asset Class	**Benchmark**
Domestic Large Cap Equity	S & P 500, Russell 1000 Growth or Value Index
Domestic Mid Cap Equity	Russell Mid Cap, Growth or Value Index
Domestic Small Cap Equity	Russell 2000, Growth or Value Index
Established International Equity	MSCI ACWI & U.S., Growth or Value
Emerging International Equity	MSCI Emerging Markets
Domestic Fixed Income	Barclay Aggregate, Merrill Lynch US Broad Market Index
High Yield Fixed Income	Merrill Lynch High Yield Cash Pay Master Bond
International Fixed Income	Merrill Lynch Non US Dollar Bond Index
Emerging Markets Fixed Income	JP Morgan Emerging Markets Bond Index Global
Real Estate	Nareit Index/ NCREIF
Hedge Funds	HFRI Fund of Funds Composite Index, Weighted Index
Managed Futures	CSFB Tremont Managed Futures Index
Private Equity	CSFB Tremont Hedge Fund Master Index
Commodities	Dow Jones AIG Commodities Index

Money Markets	Merrill Lynch 3 Month US T-Bills Index

Optional indexes may be chosen for Investment Managers for comparison purposes. These indexes should be disclosed to the Board during the hiring/interview process. The Board is aware that there may be deviations from these performance targets. Normally, results are evaluated over a three to five year time horizon, but shorter-term results will be regularly reviewed and earlier action taken if in the best interest of the Plan. Investment Managers may be placed on a watch list when their returns over the previous three to five years are lower than the bench marks established by the Board for such Investment Managers. The Investment Consultant, acting on behalf of the Board, shall communicate in writing to the Investment Manager that it has been placed on a watch list. The Board may also place an Investment Manager on a watch list based upon the Investment Manager's returns over a shorter period of time if special circumstances warrant such action. The length of the period that an Investment Manager is to remain on a watch list shall be determined by the Board taking into consideration the recommendation of the Investment Consultant.

INVESTMENT GUIDELINES

The overall capital structure targets and permissible ranges for eligible asset classes are detailed in Appendix I.

Trustees may consider hiring "emerging managers", i.e. Investment Managers with less than $3 billion of assets under management or with shorter track records. Emerging managers can include but are not limited to minority-owned, veteran-owned and women-owned firms. CERF should consider emerging managers for all assets classes. Trustees should limit an investment allocation to no more than 20% of the Firm's assets under management.

Full discretion, within the parameters of the guidelines described herein, is granted to the Investment Managers regarding the asset allocation, the selection of securities, and the timing of transactions.

1. Equity investments, i.e., common stocks, convertibles, warrants and rights are permitted; subject to the guidelines in Appendix I. Equity specialists may vary equity commitment from 0% to 100% of assets under management. The Investment Managers should determine securities to be purchased of an investment grade suitable for the Plan. American Depository Receipts (ADRs), which are dollar denominated foreign securities traded on the domestic U.S. stock exchanges, e.g., Reuters, Nestle, Sony, may be held by each domestic stock Investment Manager in proportions which each Investment Manager shall deem appropriate.

2. Domestic fixed income investments are permitted, subject to the guidelines in Appendix I and may include U.S. Government and Agency obligations, mortgaged-back securities; including non-agency mortgage and commercial mortgaged-back securities; asset-back securities; corporate bonds; debentures; commercial paper; and taxable municipals.

3. International fixed income investments are permitted, subject to the guidelines in Appendix I, and may use a wide variety of investment opportunities found in the global bond markets such as, but not limited to, investment grade and non-investment grade sovereign debt, investment grade and non-investment grade international corporate debt, derivatives (as permitted by the Derivatives Policy Statement in Appendix II), and currencies. The Investment Manager may use currency exposure as deemed fit for generating excess return, or for currency hedging. The portfolio should have a minimum overall weighted average quality of A or higher as rated by Moody's or an equivalent rating agency. The ratings in this Investment Policy Statement are for guidance only; the Investment Managers are responsible for making independent analysis and credit worthiness of investments and suitability regardless of classifications provided by ratings agencies.

4. The minimum quality rating of any fixed income issue held in an investment grade portfolio shall be B as rated by Moody's, or an equivalent rating agency, and the overall weighted average quality shall be A or higher. The ratings in this Investment Policy Statement are for guidance only; the Investment Managers are responsible for making an independent analysis of the credit worthiness of securities and their suitability as investments regardless of the classifications provided by rating agencies.

5. Securities of an individual issuer, except the U.S. government and agencies and sovereign nations and their agencies, shall not constitute more than 5% of the total portfolio at any time, at market value. Securities of an individual issuer, except the U.S. government and agencies and sovereign nations and their agencies, shall not constitute more than 15% of an Investment Manager's portfolio at any time, at market value.

6. Eligible investments for real estate managers are private equity real estate assets located in the United States and outside of the United States. Real estate managers are expected to be invested in a geographically diversified portfolio of real property assets, including office, industrial, retail, and multi-family/apartment properties. At their discretion, real estate managers may invest in land/development properties so long as the portfolio does not assume undue risk. Portfolio leverage, on a portfolio basis, shall not exceed 60%.

7. Investment Managers may maintain reserve and cash equivalent investments. However, these investment should be made on the basis of safety and liquidity, and only secondarily by yield available. Such securities shall carry the equivalent S&P A1 or A2 ratings.

8. There shall be no specific limitations to turnover. However, modest turnover is preferred.

Ineligible Investments

Unless specifically approved by the Board, certain securities, strategies and investments are ineligible for inclusion within this Plan's asset base. Among these are:

- Derivative instruments, except as permitted in the Derivatives Policy Statement in Appendix II.

- Privately-placed or other non-marketable debt, except securities issued under rule 144a.

- Lettered, legend or other so-called restricted stock.

- Non-taxable municipal securities should not normally be held unless pricing anomalies in the marketplace suggest the likelihood of near-term capital gains when normal spread relationships resume.

- Short sales except when done as part of a Hedge Fund Strategy.

- Direct investments.

Benefit Payments

Investment Managers will be given adequate notice of cash needs and an estimation of the liquidity requirements from their funds. They will be expected to manage their funds to provide for anticipated withdrawals without impairing the investment process.

Proxy Voting

Responsibility for the exercise of ownership rights through proxy solicitations shall rest solely with the Investment Managers, who shall exercise this responsibility strictly for the economic benefit of the portfolios. Investment Managers shall annually report to the Plan standing policies with respect to proxy voting, including any changes that have occurred in those policies.

Commingled Funds

Mutual funds and other types of commingled investment vehicles provide, under some circumstances, lower costs and better diversification than can be obtained with a separately managed fund pursuing the same investment objectives. However, commingled investment funds cannot customize investment policies and guidelines to the specific needs of individual clients. The Board is willing to accept the policies of such funds in order to achieve the lower costs and diversification benefits of commingled funds, provided that it is determined that such funds are a material benefit to the plan. Therefore, commingled investment vehicles selected by the Board are exempt from the policies and restrictions specified herein.

Alternative Investments

The Board recognizes that certain Alternative Investment strategies (such as private equity or absolute returns strategies) do in fact make use of derivatives and other instruments which may not be in full compliance with the guidelines set out for separately managed portfolios.

Given that virtually all Alternative Investment strategies will be in a commingled format, the above guidelines for Commingled Funds will apply. To the extent that the Board selects an Alternative Investment Manager offering a separately managed account, the Board may use its discretion in terms of granting exceptions to these guidelines to those Investment Managers.

ROLES AND RESPONSIBILITIES

Board of Trustees

The Board shall review the total investment program and this Investment Policy Statement regularly and make such changes to the Investment Policy Statement as are appropriate. The Board shall provide overall direction to the Investment Managers in the execution of this Investment Policy Statement. The Trustees, with the assistance of the Investment Consultant, are responsible for evaluating, hiring, and terminating Investment Managers and Custodian Banks. The Trustees are also responsible for hiring, evaluating and terminating the Investment Consultants.

Investment Consultant

The Investment Consultant shall assist the Trustees in developing and modifying policy objectives and guidelines, including the development of asset allocation strategies, recommendations on long term allocation and the appropriate mix of Investment Manager styles and strategies. The Investment Consultant shall also provide assistance in Investment Manager searches and selection, and in investment performance calculation, evaluation, and analysis. The Investment Consultant shall provide timely information, written and/or oral, on investment strategies, instruments, Investment Managers and other related issues, as requested by the Trustees.

Investment Managers

The duties and responsibilities of each of the Investment Managers retained by the Plan include:

1. Managing the Plan’s assets in accordance with the policy guidelines and objectives expressed herein.

2. Meeting with the Trustees at their request. Each Investment Manager shall report to the Plan and the Investment Consultant as outlined in Appendix III. Quarterly reports shall be submitted in writing within 30 days of the end of a quarter.

3. Working with the Custodian Bank to verify monthly accounting reports.

4. Acknowledging in writing to the Plan the Investment Manager’s intention to comply with this Investment Policy Statement as it currently exists or as modified in the future.

Custodian Bank

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

The Custodian Bank(s) will be responsible for performing the following functions:

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

OTHER CONSIDERATIONS

It is the intent of the Trustees to revise this Investment Policy Statement to reflect modifications and revisions to the Plan, which may develop from time to time. It is also the policy of the Trustees to review these goals and objectives from time to time and to communicate any material change thereto to the Investment Managers.

This Investment Policy Statement is prepared to provide appropriate guidelines for the Investment Managers, consistent with the Plans' return objectives and risk tolerances. Should any Investment Manager believe that the Guidelines are unduly restrictive or inappropriate, the Board expects to be advised accordingly.

AMENDED APPENDIX I

City of New Haven City Employees' Retirement Fund ("CERF")

ASSET ALLOCATION POLICY INDEX

In order to have a reasonable probability of achieving the target return at an acceptable risk level, the Plan has adopted the asset allocation policy outlined below. The actual asset allocation will be reviewed on a quarterly basis and will be readjusted when an asset class weighting is outside its target range

ASSET CLASS	TARGET%	TARGET RANGE%
EQUITY	60	75-50
Large Capitalization	28	30-20
Mid/Small Capitalization	16	20-10
International Equity	8	10-5
Emerging Markets	8	10-5
FIXED INCOME	16	40-15
Core Bonds	2	20-5
High Yield Bonds	4	7.5-5
International Bonds	5	7.5-5
Emerging Market Bonds	5	5-0
ALTERNATIVES	24	30-10
Private Equity	6	5-16
Private Real Estate/Real Estate	5	5-15
Hedge/Other	13	0-20
CASH	0	5-0

The Plan's Asset Allocation Policy Index is a custom benchmark designed to indicate the returns that a passive investor would earn by consistently following the asset allocation targets set forth in this Investment Policy Statement. It is useful in separating the impact of this Investment Policy Statement from execution of the investment strategy in evaluating the performance of the Fund's investment program.

The Asset Allocation Policy Index is calculated by multiplying the target commitment to each asset class by the rate of return of the appropriate market index, as listed above, on a monthly basis.

APPENDIX II

City of New Haven City Employees' Retirement Fund ("CERF")

DERIVATIVES POLICY STATEMENT

A. Objectives

This Derivatives Policy Statement identifies and allows common derivative investments and strategies which are consistent with applicable law and this Investment Policy Statement and requires Investment Managers to petition for the inclusion of additional derivative instruments and strategies. This Derivatives Policy Statement also requires Investment Managers to follow certain controls, documentation and risk management procedures.

B. Definition and Classification of Derivatives

A derivative is a security or contractual agreement which derives its value from some underlying security, commodity, currency, or index. These guidelines classify derivatives into four separate categories distributed across two classes: derivative contracts and derivative securities:

1. Derivative Contracts
    a) Forward-based derivatives, including forward contracts, future contracts, swaps, and similar instruments
    b) Option-based derivatives, including put options, call options, interest rate caps and floors, and similar instruments

2. Derivative Securities
    a) Collateralized Mortgage Obligations (CMOs)
    b) Structured Notes

C. Allowed Uses of Derivatives

1. Derivative Contracts

    a) Hedging. To the extent that the non-derivative component of a portfolio is expressed to clearly defined risks and derivative contracts exist which can be used to reduce those risks, the Investment Managers are permitted to use such derivatives for hedging purpose, including cross-hedging of currency exposures, subject to the documentation requirements below.
    b) Creation of Market Exposures. Investment Managers are permitted to use derivatives to replicate the risk/return profile of an asset or asset

class, provided that the guidelines for the Investment Manager allow such exposures to be created with the underlying assets themselves.

c) Management of Country and Asset Allocation Exposure. Investment Managers charged with tactically changing the exposure of their portfolio to different countries and/or asset classes are permitted to use derivative contracts for this purpose.

2. Derivative Securities

    a) "Plain Vanilla" CMOs. For the purpose of this policy we will define a "plain vanilla" CMO as a CMO that is less exposed to interest rate and prepayment risk than the underlying collateral.
    b) Other CMOs. CMOs which are not Plain Vanilla are restricted to 10% of an Investment Manager's portfolio.
    c) Structured Notes. Structured Notes may be used so long as the exposure implied by their payment formula would be allowed if created without the use of Structured Notes.

D. Prohibited Uses of Derivatives

Any use of derivatives not listed in section C is prohibited without written approval of the Plan. Investment Managers are encouraged to solicit such approval if they believe the list in section C is too restrictive. By way of amplification, it is noted that the following two uses of derivatives are prohibited:

1. Leverage. Derivatives shall not be used to magnify exposure to an asset, asset class, interest rate, or any other financial variable unless such exposures would be allowed by a portfolio's investment guidelines if created with non-derivative securities.

2. Unrelated Speculation. Derivatives shall not be used to create exposure to securities, currencies, indices, or any other financial variable unless such exposures would be allowed by a portfolio's investment if created with non-derivative securities.

E. Transaction- Level Risk Control Procedures and Documentation Requirements

For each over-the-counter derivative transaction, except foreign exchange forward contracts, Investment Managers are required to obtain at least two competitive bids or offers. For small-issue CMOs, it is acceptable to obtain competitive prices on similar securities.

For all derivatives transactions, Investment Managers should maintain appropriate records to support that all derivative contracts used are employed for allowed strategies. In addition, the following requirements apply to derivative securities:

a) "Plain Vanilla" CMOs

Document that the CMO is in fact “plain vanilla,” according to the definition in section C.2.a.

b) Other CMOs
The CMOs must be stress tested to estimate how their value and duration will change with extreme changes in interest rates. An extreme change is one of at least 300 basis points.

c) Structured Notes
Document that note does not create exposures which would not be allowed if created without derivatives.

F. Portfolio-Level Risk Control Procedures and Documentation Requirements

1. Counterparty Credit Risk

Investment Managers are required to measure and monitor exposure to counterparty credit risk. All counterparties must have commercial paper credit ratings of at least A1 or equivalent rating.

2. Ongoing Monitoring of Risk Exposures

The duration and other risk exposure limits specified in this Derivative Policy Statement are expected to be satisfied on an ongoing basis. Thus, Investment Managers must monitor changing risk exposures. Fixed income managers investing in CMOs should pay particular attention to the changing duration of their CMOs and should anticipate potential changes in duration at the time CMOs are purchased so that interest rate and prepayment rate changes do not inadvertently move the portfolio out of compliance.

3. Valuation of Holdings

The Investment Managers and the Custodian Bank shall provide the Plan with their pricing policies including a list of sources used. The Plan should be notified of any exceptions to these policies. The Custodian Bank is required to obtain prices independent of the Investment Manager, or to notify the Plan that independent prices are not available.

The Investment Managers are required to reconcile the valuations of all derivatives positions with the Custodian Bank not less than monthly.

4. Quarterly Reporting

Each Investment Manager using derivatives shall submit within thirty days of the end of each quarter a report with the following information:

a) A list of all derivative positions as of quarter-end.
b) An assessment of how the derivatives positions affect the risk exposures of the total portfolio.

c) An explanation of any significant pricing discrepancies between the Investment Manager and a Custodian Bank.
d) An explanation of any events of non-compliance.
e) For Investment Managers of Commingled Funds, a list of derivative positions and an assessment of the effect on the risk exposure of the portfolio.

G. Guidelines for Use of Pooled Funds which Employ Derivatives

Mutual funds and other types of commingled investment vehicles provide, under some circumstances, lower costs and better diversification than can be obtained with a separately managed fund pursuing the same investment objectives. However, commingled investment funds cannot customize investment policies and guidelines to the specific needs of individual clients. The Plan is willing to accept the policies of such funds in order to achieve the lower costs and diversification benefits of commingled funds.

Therefore commingled investment vehicles are exempt from all policies specified above except F. 4 e if:

1. The investment practices of the Commingled Fund are consistent with the spirit of this Derivative Policy Statement and are not significantly different in letter.
2. The benefits of using a commingled vehicle rather than a separate account are material.

APPENDIX III

City of New Haven City Employees' Retirement Fund ("CERF")

INVESTMENT MANAGER REPORTING REQUIREMENTS

As Necessary (based on occurrences)

1. Review of Organizational Structure
   A. Organizational changes (i.e., ownership).
   B. Discussion of any material changes to the investment process.
   C. Departures/additions to investment staff.
   D. Material changes in assets under management for the product managed on behalf of the Plan and for total firm.

Quarterly

1. Summary of the Investment Policy Statement
   A. Discuss adherence to guidelines
   B. Comments, concerns, or suggestions regarding the Investment Policy Statement.

2. Performance Review
   A. Present total fund and asset class returns for last calendar quarter, year-to-date, last year, last three years, last five years and since inception versus designated benchmarks
   B. Discuss performance relative to benchmarks, provide attribution analysis which identifies returns due to allocation and selection decisions, as appropriate.
   C. Provide portfolio characteristics relative to benchmark.

3. Provide Portfolio Holdings
   A. Present book value and current mark value.
   B. List individual securities by sector, asset class, or country, as appropriate.

4. Directed Commission
   A. Percentage of total portfolio trades through brokers.
   B. Dollar amount of recaptured commissions for each broker utilized.

Annually

1. Review of Investment Process and Evaluation of Portfolio Management Process
    A. Brief review of investment process.
    B. Investment strategy used over the past year and underlying rationale.
    C. Evaluation (in hindsight) of strategy's appropriateness.
    D. Evaluation of strategy's successes/disappointments.
    E. Current investment strategy and underlying rationale.
    F. Written annual report of the proxy votes for all shares of stock companies held in the Investment Manager's investment program that provides explanations of votes other than those considered routine. These reports shall specifically note any instances where proxies were not voted in accordance with the Investment Manager's standing policy.

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