



FIDUCIARY
INVESTMENT ADVISORS

Strategic thinking. Customized solutions.

Town of Wilton Pension Plan

September 2018

Capital Markets Flash Report

August 2018

Domestic Equity

Index Returns

	MTD	QTD	YTD	1-Year	3-Year
S&P 500	3.26	7.10	9.94	19.66	16.11
Russell 1000 Growth	5.47	8.56	16.44	27.23	19.33
Russell 1000 Value	1.48	5.49	3.71	12.47	12.32
Russell Mid Cap	3.11	5.67	8.15	17.89	13.37
Russell Mid Cap Growth	5.76	8.03	13.87	25.06	15.29
Russell Mid Cap Value	1.36	4.12	3.95	12.67	12.12
Russell 2000	4.31	6.13	14.26	25.45	16.11
Russell 2000 Growth	6.23	8.05	18.53	30.72	16.36
Russell 2000 Value	2.38	4.19	9.86	20.05	15.73

Exacerbated by the United States' action to implement additional tariffs, the pullback in global equity markets continued this month. However, U.S. equity markets remained well insulated, as another earnings season ended in record fashion, macroeconomic data exhibited strength, and positive Fed rhetoric boosted sentiment.

Small caps regained their leadership in August, outpacing large caps modestly. Large cap multinational companies continued to witness a shift in investor preference, as non-U.S. markets faltered once more. After value's outperformance last month, growth gained momentum once again, trumping value this month.

Value sectors within the S&P 500 Index quickly relinquished their leadership from last month, as traditional growth sectors such as technology, consumer discretionary and health care drove returns. Strong earnings, favorable macroeconomic data, and investor preference were all major drivers behind this period's sector leadership performance. Despite a rise in oil prices, the volatility in the commodity led to energy equities finishing in the red. Materials also exhibited weakness, witnessing a marginally negative result for the month.

Macroeconomic strength was driven primarily by a stellar GDP print, favorable domestic consumption data, and a robust labor market. Second quarter GDP came in at 4.2%, of which net trade and consumption boosted results most. Retail sales rose more than expected last month, as consumers benefited from the tailwinds provided by fiscal reform and the strong labor market (3.9% unemployment rate).

S&P 500 Sector Performance



International Equity

Index Returns

	MTD	QTD	YTD	1-Year	3-Year
MSCI EAFE	(1.93)	0.48	(2.28)	4.39	7.04
MSCI ACWI ex US	(2.09)	0.25	(3.53)	3.18	8.08
MSCI EM	(2.70)	(0.57)	(7.18)	(0.68)	11.42
MSCI EAFE Small Cap	(0.80)	(0.16)	(1.48)	7.46	11.38
MSCI EAFE Growth	(0.28)	1.78	0.83	8.12	8.87
MSCI EAFE Value	(3.64)	(0.87)	(5.44)	0.63	5.11
MSCI Japan (USD)	0.22	0.62	(1.42)	9.05	8.44
MSCI Germany (USD)	(3.03)	1.15	(6.33)	1.61	7.49
MSCI UK (USD)	(4.19)	(3.36)	(4.37)	4.46	3.99
MSCI France (USD)	(1.98)	1.58	1.45	7.40	10.12
MSCI China (USD)	(3.80)	(6.20)	(7.83)	0.22	13.49
MSCI Brazil (USD)	(11.34)	(0.86)	(18.00)	(16.23)	12.97
MSCI Russia (USD)	(6.99)	(3.31)	(0.64)	8.22	14.06
MSCI India (USD)	0.96	7.54	(0.54)	7.12	10.63

The MSCI EAFE Index dropped 1.93% in August, as political drama overshadowed strong fundamentals. Italy's new administration faced additional tension with the EU, and a major Brexit agreement deadline looms, fueling concerns.

The MSCI Europe Index fell 2.79%, as the dramatic collapse of a bridge in Italy and new migrant arrivals in the Mediterranean caused tensions between the new Italian government and the European Union. Italy has been a major source of concern recently, weighing heavily on investors' mindsets regarding the overall region and the EU's stance.

The MSCI Japan Index gained 0.22%, as recent macroeconomic data exhibited encouraging results and the overall economy seems to have stabilized. However, inflation continues to be anemic and below the Bank of Japan's objective.

Trade tensions and a strong U.S. dollar continued to dominate the headlines this month, as the MSCI Emerging Markets Index decreased 2.70%. Throughout the month trade relations between the U.S. and China deteriorated further, as the U.S. threatened additional tariffs, affecting trade and output in China. Additional market stress emerged from Turkey, as the country's fragility exacerbated global fears.

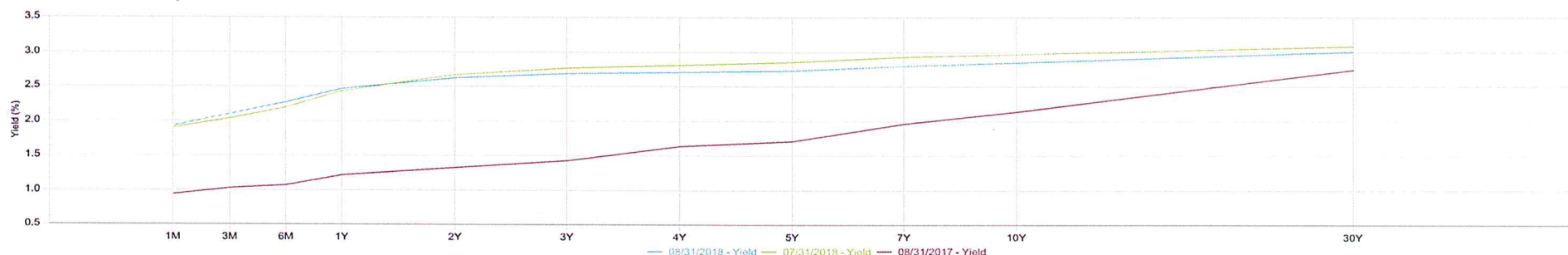
Buoyed by macroeconomic strength, the U.S. dollar continued to dominate versus most major global currencies.

Currency Spot Returns vs USD

	MTD	QTD	YTD	1-Year	3-Year
Euro	(0.56)	(0.35)	(3.11)	(2.14)	1.26
Japanese Yen	0.95	(0.11)	1.59	(0.74)	3.00
British Pound	(0.91)	(1.55)	(3.92)	0.87	(5.45)
Australian Dollar	(2.72)	(2.12)	(7.54)	(8.82)	0.67
Chinese Renminbi	(0.05)	(2.99)	(4.65)	(3.41)	(2.26)

Fixed Income

United States Treasury Yield Curve



Index Returns

	MTD	QTD	YTD	1-Year	3-Year
BBgBarc US Agg	0.64	0.67	(0.96)	(1.05)	1.76
BBgBarc US Corp IG	0.49	1.33	(1.98)	(1.01)	3.50
BBgBarc US Corp HY	0.74	1.84	2.00	3.40	7.00
BBgBarc US Long Corp	0.25	1.93	(4.97)	(1.85)	5.65
BBgBarc US Gov/Credit	0.65	0.73	(1.19)	(1.27)	1.91
BBgBarc US Long Gov/Credit	0.85	1.10	(3.93)	(2.15)	4.25
BBgBarc Municipal	0.26	0.50	0.25	0.49	2.71
BBgBarc US TIPS	0.72	0.24	0.21	0.83	2.20
BofAML US T-Bill 3M	0.18	0.34	1.15	1.52	0.79
Citi WGBI USD	(0.29)	(0.61)	(1.64)	(1.81)	2.25
JPM EMBI Plus USD	(3.13)	(1.27)	(7.29)	(7.68)	3.47

The Bloomberg Barclays U.S. Aggregate Bond Index exhibited a positive result this month, returning 0.64%, as interest rates declined across the yield curve. Investors' search for a safe haven helped push government bond prices up.

Treasury yields fell in August, driven by growing concerns over the influence of geopolitical tensions on overall global growth. Two-year yields dropped by 4bps to 2.63%, along with 10-year yields falling by 10bps to 2.86%. The 19bps spread between 2-year yields and 10-year yields set a new post-crisis level during the period.

Investment-grade corporate spreads widened by 5bps to 114bps this month. High-yield spreads, however, were more range-bound, ending the month 2bps wider at 338bps.

Once again, the Citigroup WGBI witnessed negative results, falling 0.29% for the month. U.S. dollar strength continued to weigh on international bond markets.

Commodities & Real Estate

Commodities declined during the month of August, with all sectors but energy producing negative returns. Oil prices again moved higher, as OPEC's production increases came in lower than anticipated. An unexpected decline in U.S. inventories further boosted prices.

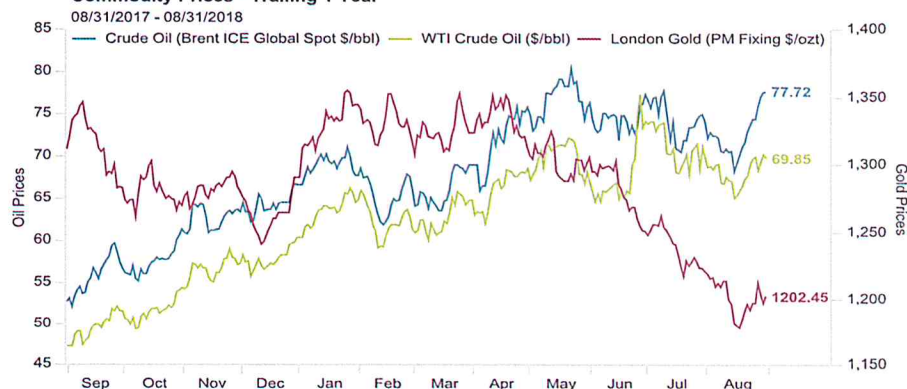
Global REITs advanced in August led by positive returns in the Americas, as both the Asia Pacific region and Europe were negative in the month.

Index Returns

	MTD	QTD	YTD	1-Year	3-Year
Bloomberg Commodity	(1.77)	(3.87)	(3.87)	0.51	(1.89)
S&P N.A. Natural Resources	(3.90)	(2.86)	2.28	16.91	6.88
FTSE NAREIT Eq REITs	2.59	3.42	4.47	6.01	9.61
FTSE NAREIT Developed	0.95	1.80	2.17	5.49	7.33

Source: FactSet

Commodity Prices - Trailing 1 Year



Wilton, Town of

Performance Update As Of August 31, 2018

Plan Performance

	Value	Performance(%)							Inception Date
		1 Month	QTD	YTD	1 Year	3 Years	5 Years	Since Inception	
Pension Plan	119,034,459	0.4	2.1	2.4	7.4	8.4	7.2	7.4	05/01/2012
<i>Wilton Pension Plan Benchmark</i>		<i>0.8</i>	<i>2.4</i>	<i>2.5</i>	<i>7.6</i>	<i>8.3</i>	<i>7.2</i>	<i>7.2</i>	<i>05/01/2012</i>

Calendar Year Performance

	2017	2016	2015	2014	2013	2012	2011
Pension Plan	15.0	7.5	0.1	3.1	14.5	N/A	N/A
<i>Wilton Pension Plan Benchmark</i>	<i>14.7</i>	<i>7.4</i>	<i>-1.1</i>	<i>4.9</i>	<i>14.2</i>	<i>N/A</i>	<i>N/A</i>

Allocation Mandate

Weight (%)

Jun-2018

Blmbg. Barc. U.S. Aggregate Index	27.5
FTSE World Government Bond Index	6.5
Russell 3000 Index	33.5
MSCI AC World ex USA (Net)	22.5
NCREIF Fund Index - ODCE (net)	5.0
Short Term Inflation Protection Index	5.0

The allocation mandate represents the current benchmark composition for the portfolio. Please keep in mind that the investment objective may have changed over time.

Asset Allocation and Risk & Return – 20YR

Constrained

Asset Class	Current Portfolio	Current Portfolio Look Through	Portfolio A	Portfolio B	Portfolio C	Portfolio D	Portfolio E	Portfolio F
Fixed Income	34.0	35.7	35.0	30.0	35.0	30.0	37.5	40.0
<i>Core</i>	25.0	26.7	27.5	23.0	22.5	17.5	22.5	17.5
<i>High Yield</i>	2.5	2.5	2.5	2.0	2.5	2.5	2.5	2.5
<i>Global</i>	6.5	6.5	5.0	5.0	5.0	5.0	5.0	5.0
<i>Private Debt</i>	-	-	-	-	5.0	5.0	7.5	15.0
Domestic Equity	33.5	34.3	32.5	35.0	30.0	32.5	27.5	30.0
<i>Large Cap</i>	25.6	26.5	25.8	28.0	24.0	25.8	22.0	24.0
<i>Small Cap</i>	7.9	7.9	6.8	7.0	6.0	6.8	5.5	6.0
International Equity	22.5	23.3	27.5	35.0	30.0	32.5	27.5	30.0
<i>Developed</i>	18.3	19.0	18.3	22.8	20.0	20.8	19.5	20.0
<i>Emerging</i>	4.3	4.3	9.3	12.2	10.0	11.7	8.0	10.0
Real Estate	5.0	5.0	5.0	-	5.0	5.0	7.5	0.0
<i>Core Real Estate</i>	5.0	5.0	5.0	-	-	-	-	-
<i>Private Real Estate</i>	-	-	-	-	5.0	5.0	7.5	0.0
Inflation Protected	5.0	-	-	-	-	-	-	-
<i>TIPS</i>	1.7	-	-	-	-	-	-	-
<i>Commodities</i>	1.7	1.7	-	-	-	-	-	-
<i>Global Hard Assets</i>	1.7	-	-	-	-	-	-	-
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Annual Return, %		6.41	6.53	6.82	6.79	7.01	6.77	6.93
Risk, StdDev.		10.21	10.74	12.54	11.17	12.19	10.47	11.71
Sharpe Ratio		0.37	0.37	0.34	0.38	0.36	0.40	0.37

Portfolio Return Distributions 1YR/3YR & 5YR/10YR

Constrained

Monte Carlo Lognormal Simulations

	Annual Return, %													
	Client Current		Portfolio A		Portfolio B		Portfolio C		Portfolio D		Portfolio E		Portfolio F	
	1Y	3Y	1Y	3Y	1Y	3Y	1Y	3Y	1Y	3Y	1Y	3Y	1Y	3Y
5th Percentile	-9.0	-2.9	-9.6	-3.3	-11.9	-4.8	-10.1	-3.5	-11.3	-4.2	-9.1	-2.8	-10.8	-3.8
25th Percentile	-0.8	2.1	-1.1	2.0	-2.2	1.5	-1.2	2.0	-1.7	1.8	-0.7	2.3	-1.4	1.9
50th Percentile	5.5	5.8	5.5	5.8	5.6	5.9	5.8	6.0	5.9	6.2	5.9	6.1	5.9	6.2
75th Percentile	12.7	9.8	13.0	10.1	14.4	10.8	13.7	10.5	14.4	11.0	13.3	10.3	14.1	10.8
95th Percentile	24.5	15.9	25.7	16.5	29.0	18.4	26.6	17.1	28.6	18.3	25.3	16.5	27.7	17.7

	Annual Return, %													
	Client Current		Portfolio A		Portfolio B		Portfolio C		Portfolio D		Portfolio E		Portfolio F	
	5Y	10Y	5Y	10Y	5Y	10Y	5Y	10Y	5Y	10Y	1Y	3Y	1Y	3Y
5th Percentile	-1.1	0.9	-1.4	0.7	-2.5	0.0	-1.5	0.7	-2.0	0.3	-0.9	1.1	-1.8	0.6
25th Percentile	3.0	3.8	2.9	3.8	2.5	3.5	3.0	3.9	2.8	3.8	3.2	4.1	2.9	3.9
50th Percentile	5.9	5.9	6.0	6.0	6.1	6.1	6.2	6.2	6.3	6.3	6.2	6.3	6.3	6.3
75th Percentile	9.0	8.1	9.2	8.2	9.9	8.7	9.6	8.6	10.0	8.9	9.4	8.5	9.9	8.8
95th Percentile	13.6	11.3	14.1	11.6	15.5	12.7	14.6	12.2	15.4	12.8	14.1	11.8	15.1	12.5

The information contained in this report has been taken from trade and statistical services and other sources deemed reliable, although its accuracy cannot be guaranteed and it should not be relied upon as such. Any opinion expressed herein reflects our judgment at this date and are subject to change. The illustration represents past performance and should not be considered indicative of future results. Mutual funds are sold by prospectus only. Historical performance results for investment indices and/or categories have been provided for general comparison purposes only, it should not be assumed that your account holdings do or will correspond directly to any comparative indices.

TOWN OF WILTON

TRUST FOR THE
RETIREMENT PLAN FOR EMPLOYEES OF THE TOWN OF WILTON

INVESTMENT POLICY STATEMENT

August 1, 2012

Amended August ~~2015~~ 2018

**Trust for the
Retirement Plan for Employees of the Town of Wilton
Investment Policy Statement**

Introduction

The Town of Wilton, Connecticut (the “Town”) maintains the Retirement Plan for Employees of the Town of Wilton (the “Plan”) to provide retirement benefits to certain employees of the Town, the Board of Education of the Town, and the Wilton Library Association, Inc.

The Plan is a defined benefit pension plan that is qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended (the “Code”). The assets of the Plan are held in trust for the benefit of the members of the Plan under the terms of a trust agreement that was amended and restated on October 16, 2006.

The Board of Selectmen of the Town has the authority to appoint the Trustees of the Plan. Pursuant to that authority, on September 5, 2006 the Board of Selectmen appointed the members of the Board of Selectmen, *ex officio*, one member of the Town’s Board of Finance (as designated by the Board of Finance), one member of the Town’s Board of Education (as designated by the Board of Education), and the Chief Financial Officer of the Town, *ex officio*, to serve as the Trustees of the Plan (with the Chief Financial Officer being a nonvoting Trustee of the Plan).

On October 16, 2006, the Board of Selectmen established the Wilton Employees Retirement Plan Investment Committee (the “Investment Committee”). On May 17, 2010, the Board of Selectmen resolved that the Investment Committee would consist of six members. On May 2, 2012, the Trustees resolved that five members of the Investment Committee will be appointed by the Board of Selectmen upon the recommendation of the Trustees of the Plan, and that the sixth member of the Investment Committee will be selected by the Town’s Board of Finance from among its members. On May 7, 2012, the Board of Selectmen accepted the names of the members of the Investment Committee.

The Investment Committee reports to, and is directed by, the Trustees of the Plan. The Investment Committee is responsible for: (a) developing and modifying investment policy statements relating to the assets of the Plan, and recommending their adoption by the Trustees of the Plan; (b) managing Plan investments in accordance with such investment policy statements; and (c) undertaking such other investment-related responsibilities as may be assigned by the Trustees of the Plan.

On the date set forth at the end hereof, the Investment Committee approved this investment policy statement and recommended its adoption by the Trustees of the

Plan. On the date set forth at the end hereof, the Trustees of the Plan approved the adoption of this investment policy statement.

Purpose

An investment policy statement provides the first step towards establishing the "fiduciary trail" - i.e., evidence that a fiduciary has acted solely in the interests of plan participants, and with the care, skill, prudence and diligence under the circumstances then prevailing a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. A well-written investment policy statement serves to:

- Clearly articulate the objectives towards building a diversified investment portfolio;
- Articulate the responsibilities of various parties, including the plan sponsor, plan administrator, trustee and investment consultant;
- Establish policies and procedures for investment selection; and
- Establish procedures for on-going performance monitoring and evaluation.

This investment policy statement outlines the goals and investment objectives of the Plan, provides guidelines for managing the assets of the Plan, and identifies specific investment policies that will govern how those goals are to be achieved. This statement:

- Describes the investment objectives of the Plan;
- Defines the responsibilities of the Investment Committee and other parties responsible for the management of the assets of the Plan;
- Establishes investment guidelines regarding the selection of investment managers and diversification of assets; and
- Specifies the criteria for evaluating the performance of the investment managers and of the Plan as a whole.

1. Investment Objectives

The Plan's assets shall be invested in accordance with sound investment practices that emphasize long-term investment fundamentals. In establishing the investment objectives of the Plan, the Investment Committee has taken into account the financial needs and circumstances of the Town, the time horizon available for investment, the nature of the Plan's cash flows and liabilities, and other factors that affect their risk tolerance. Consistent with this, the Investment Committee has determined that the investment of these assets shall be guided by the following underlying goals:

- To achieve the stated actuarial target of the Plan;
- To maintain sufficient liquidity to meet the obligations of the Plan;
- To diversify the assets of the Plan in order to reduce risk; and
- To achieve investment results over the long-term that compare favorably with those of other pension plans, professionally managed portfolios, and appropriate market indices.

2. Assignment of Responsibilities

Investment Committee - The Investment Committee is charged with the responsibility to oversee the assets of the Plan. To that end, the Investment Committee's responsibilities include: (a) establishing and maintaining the Plan's investment policy, objectives and portfolio guidelines with respect to asset allocation, risk parameters, and return evaluation; (b) interpreting the appropriate investment policy, objectives and portfolio guidelines; (c) selecting the investment vehicles for the investment of the Plan's assets; and (d) periodically monitoring the performance of such investments. The Investment Committee may establish rules and regulations governing its procedures, and may delegate to one or more of its members, or to its agents, the authority to take specific actions. The Investment Committee will meet periodically, and shall discharge its duties with the care, skill, prudence and diligence appropriate to the circumstances then prevailing. The Investment Committee recognizes that some risk must be assumed to achieve the Plan's long-term investment objectives.

Investment Consultant - The Retirement Board of Trustees may engage the services of an Investment Consultant. The Investment Consultant will act as a non-discretionary advisor to the Investment Committee. The Investment Consultant will assist in the development and periodic review of an investment policy statement and the Plan's asset allocation, will conduct searches for investment managers when necessary, will monitor the performance of the investment managers and investment

funds, and will communicate to the Investment Committee about other matters of relevance to the oversight of the Plan.

Custodian - The Custodian is responsible for the safekeeping and custody of the assets of the Plan. The Custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Plan, collect dividends and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The Custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as the movement of assets into and out of the Plan accounts (for example, to accommodate distribution needs).

3. Asset Allocation

The asset allocation target ranges set forth in Appendix A represent a long-term view. Short-term market volatility may cause the asset mix to fall outside the targeted range.

4. Rebalancing

The Investment Committee, at its discretion, may or may not institute rebalancing as necessary. Such adjustments should be executed with consideration to turnover, transaction costs, and realized losses over the long term. The necessity to rebalance will be reviewed periodically.

5. Selection Criteria for Investment Managers and Investment Funds

Investment managers and investment funds retained by the Investment Committee to invest the assets of the Plan shall be chosen using various criteria, including but not limited to the following:

- Past results, considered relative to appropriate indices and other investments having similar investment objectives. Consideration shall be given to both consistency of performance and the level of risk taken to achieve results;
- The investment style and discipline of the investment manager;
- How well the manager's investment style or approach complements other assets in the Plan; and
- The level of experience, personnel turnover, financial resources, and staffing levels of the investment management firm or fund.

The Plan will utilize a multi-manager structure of complementary investment styles and asset classes to invest the Plan's assets.

Should additional contributions and/or market value growth permit, the Investment Committee may retain additional investment managers to invest the assets of the Plan. Additional investment managers would be expected to diversify the assets of the Plan by investment style, asset class, and management structure, and thereby enhance the probability of the Plan's achieving its long-term investment objectives.

6. Securities Guidelines

The Plan's investments may include separately managed accounts, mutual funds and co-mingled funds, including marketable and non-marketable alternatives and exchange traded funds. The Investment Committee understands that investment managers have full responsibility for security selection, diversification, turnover and allocation of holdings among selected securities and industry groups, as particularly detailed in the investment policy statement of each of the Plan's separately managed accounts or in the prospectus/offering memorandum for each mutual fund, co-mingled fund or exchange-traded fund in the portfolio. No securities will be purchased, or carried, on margin.

With respect to mutual funds and co-mingled funds, the Investment Committee will consider the following in order to ensure proper diversification and function for each of the funds:

- The mutual fund or co-mingled fund should demonstrate: (a) a clearly defined investment philosophy; (b) a consistent investment process; (c) an experienced and stable organization; and (d) cost-effectiveness.
- The mutual fund or co-mingled fund should generally have at least a full three-year track record (or its equivalent), and the individual mutual fund or co-mingled fund must have at least \$25 million under management (or, as an organization, \$100 million in the same strategy) at the time of selection.
- The mutual fund or co-mingled fund should be regularly evaluated for proper diversity, and must provide material information on a timely basis.
- With respect to a hedge fund-of-funds, in addition to meeting each of the three above-specified criteria, the fund-of-funds should include an appropriate number of hedge fund managers to be considered well diversified. Investment strategies in a hedge fund-of-funds may generally include: (a) long/short U.S. equity; (b) global equity; (c)

derivatives; (d) distressed debt and other fixed income strategies; (e) currency exposure; (f) arbitrage and event driven strategies; and (g) additional strategies with low correlation to traditional asset classes.

7. Proxy Voting

Each investment manager is responsible for exercising, and is empowered to exercise, all rights, including voting rights, acquired through the purchase of securities, where practical. Each investment manager shall vote proxies in the best interest of the Plan. A copy of each investment manager's guidelines and/or summary of proxy votes shall be provided to the Investment Committee upon request.

8. Investment Monitoring and Reporting

The Investment Committee will periodically review the performance of the investments of the Plan. Performance monitoring is the mechanism for revisiting the investment selection process and confirming that the criteria originally satisfied remain intact, and that an investment continues to be appropriate for the Plan. While frequent change is neither expected nor desirable, the process of monitoring investment performance relative to specified guidelines is an on-going process.

Monitoring should occur on a periodic basis. The monitoring process will utilize the same criteria that formed the basis of the investment selection decision. In addition, a set of "watch list criteria" may be employed to track important quantitative and qualitative elements, assist in the evaluation process, and focus the Investment Committee on potential areas of concern.

Watch list criteria may include the following:

- Performance relative to benchmark performance over various time frames;
- Deterioration of risk-adjusted performance;
- Notable style drift/change in investment objective;
- High manager fees relative to peers; and
- Significant organizational or manager change.

9. Termination of an Investment Manager or Investment Fund

An investment manager or investment fund may be terminated when the Investment Committee has lost confidence in its ability to:

- Achieve performance and risk objectives;
- Comply with investment guidelines;
- Comply with reporting requirements; or
- Maintain a stable organization and retain key investment professionals.

There are no hard and fast rules for the termination of an investment manager or investment fund. However, if the investment manager or investment fund has consistently failed to adhere to one or more of the above conditions, termination may be considered. Failure to remedy the circumstances causing unsatisfactory performance by an investment manager or investment fund, within a reasonable time, may be grounds for termination.

Any recommendation to terminate an investment manager or investment fund will be treated on an individual basis, and will not be made solely based on quantitative data. In addition to the factors described above, other factors may include, but shall not be limited to, professional or Town turnover, or material change to investment processes.

The process for selecting a replacement for a terminated investment manager or investment fund will follow the criteria outlined above for the selection of an investment manager or investment fund.

Approval

It is understood that this investment policy is to be reviewed periodically by the Investment Committee to determine if any revisions are warranted due to changed circumstances, including but not limited to changes in financial status or risk tolerance, or changes involving the investment managers or investment funds .

Execution

On _____, 2018, the members of the Investment Committee recommended that this investment policy statement be adopted by the Trustees of the Plan.

Name: _____
Duly Authorized

Signature: _____

Title: _____

Date: _____

On _____, 2018, the Trustees of the Plan adopted this investment policy statement based upon the recommendation of the Investment Committee.

Name: _____
Duly Authorized

Signature: _____

Title: _____

Date: _____

Appendix A

DRAFT
Updated August 2018

Target Asset Allocation Table

Asset Class	Min Weight	Target Weight	Max Weight	Benchmark Index
Domestic Equities Total	25.0% 20.0%	30.0% 30.0%	35.0% 40.0%	Russell 3000 Index
Large Cap	10.0%	22.0%	32.0%	
Small - Mid Cap	0.0%	8.0%	20.0%	
International Equities Total	15.0% 20.0%	20.0% 30.0%	25.0% 40.0%	MSCI ACWI ex-U.S. Index
International Developed	10.0%	20.0%	30.0%	
International Emerging	0.0%	10.0%	15.0%	
Fixed Income Total	20.0% 25.0%	30.0% 35.0%	40.0% 45.0%	Barclays Capital Aggregate Index, Citigroup World Government Bond Index, S&P/LTSA Leveraged Loan Index
Inflation Protection Fixed Income	0.0%	1.5%	3.0%	
Core Fixed Income	11.0%	21.0%	31.0%	
High Yield Fixed Income	0.0%	2.5%	5.0%	
Global Fixed Income	0.0%	5.0%	7.5%	
Private Debt	0.0%	5.0%	7.5%	
Real Estate	0.0%	5.0%	7.5%	NCREIF
Other (Inflation Protection)	0.0%	5.0%	7.5%	Custom Blend Index
Asset Allocator	5.0%	10.0%	15.0%	Blackrock Hybrid Index

*The Inflation Protection Custom Blend Index is composed of Barclay's U.S. TIPS 0-5 Year, S&P North American Natural Resources Sector Index, and Bloomberg Commodity Index Total Return.

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