



Investment Policy

As Amended: **04/10/2025**

A. Purpose

1. The purpose of this Statement of Investment Policies and Procedures is to establish a framework such that the Trust Assets are managed to achieve the objectives of the Inter-local Agreement Oklahoma Public Employee Health and Welfare Trust - 1st Amendment to the 4th Amended and Restated Trust agreement filed November 2, 2007.

B. Investment Beliefs

1. The Trust believes in the principles of a Prudent Investor and requires a rate of investment return commensurate with the level of risk assumed.
2. The Trust believes that managing investment risks is just as important as generating returns.

C. Investment Objective

1. The Investments plan is to be managed on an ongoing concern basis.
2. Within the levels of risk, the overriding objective is to maximize the long-term return and the preservation of capital with the willingness to incur some short-term return volatility to achieve greater long-term results, efforts to achieve this objective must not expose the plan to unacceptably high levels of downside or liquidity risk.

D. Risk Tolerance

1. The plan's exposure to risk will be measured against comparable funds and appropriate benchmarks.
2. Neither individual funds, nor the plan, should experience materially higher risk than the comparable universe or benchmark.
3. Where active management is employed, investment fund returns are expected to consistently exceed comparable market indices and consistently rank in the top half of comparable funds over a 5-year period.
4. The level of risk to which the plan is exposed will be controlled by diversifying the plan's holdings, not only in terms of asset class, but also in terms of holdings within each asset class.

E. Liquidity Requirements

1. Liquidity risk is the risk that it will become necessary to liquidate plan assets under unfavorable market conditions.
2. If cash is needed immediately by Trust all other avenues of raising funds will be taken by Trust before funds are liquidated.
3. Investment Advisor will then liquidate securities as necessary with the least intrusion into capital.

F. Asset Descriptions

1. **Equities/Stocks** that are purchased must be listed on a major stock exchange and can include: US Stocks, Non-US Stocks including small cap, mid cap and large cap company stocks.
2. **Fixed Income/Bond Securities** investments will be a range of securities that may include but will not be limited to U.S. Treasuries, federal agencies and U.S. Government guaranteed obligations, securitized credit, non-U.S. bonds, investment grade corporate issues, and opportunistic income.
3. **Cash Equivalents** shall consist of short-term issues of the U.S. Government or its agencies, money market funds, commercial paper and federally insured deposits.

G. Asset Allocation Policy Targets

- | | |
|---------------------------------|------------|
| 1. Equities/Stocks | 15% |
| 2. Fixed Income/Bond Securities | 60% |
| 3. Cash Equivalents/CD's | 25% |

H. Rebalancing

1. The plan's allocation among asset classes will be reviewed at least annually.
2. Rebalancing will be considered on an ongoing basis and when allocations fall outside of the ranges suggested.
3. Policy targets, time horizons, liquidity and income needs will be reviewed at least once a year by plan manager and investment advisor.

I. Reporting

1. Review of performance and asset allocations will be presented to the Board at least annually.
2. Any changes in target mix to be presented to the Board and next quarterly meeting.

Record of Amendments

4/10/2025

Added F.2 defining Fixed Income/Bond Securities

Added G.2 allowing for Asset Allocation to Fixed Income/Bond Securities

Set G.1, G.2, G.3 Asset Allocation values as 15%, 60% & 25% respectively

Investment Policy – Suggested Changes

G. Asset Allocation Policy Targets

1. Equities/Stocks	Currently: 15%	Suggested: 50-65%
2. Fixed Income/Bond Securities	Currently: 60%	Suggested: 30-50%
3. Cash Equivalents/CD's	Currently: 25%	Suggested: 5%