

CLARENCE FIRE DISTRICT NO. 1
SERVICE AWARD PROGRAM INVESTMENT POLICY

I. SCOPE:

This policy applies to all monies and other financial resources available for investment into the Service Award Program.

II. OBJECTIVE:

The primary objectives of Clarence Fire District No. 1 investment activities for the Service Award Program are:

1. To provide adequate liquidity for making payouts to entitled firefighters,
2. To provide adequate liquidity for death and/or disability payments as required by law and the plan document,
3. To obtain a reasonable rate of return on investments to meet the actuarial assumptions of the plan,
4. To meet or exceed the 6.5% per annum actuarial assumptions of the fund,
5. To obtain a 6.5% rate through diversification of the investment assets.

III. PROCEDURE AND GUIDELINES:

The objective should be/or can be obtained with the following allocations:

1. U.S. Government Guaranteed Securities, fixed income mutual funds, cash and equivalents – 70%.
2. Publicly traded stocks or mutual funds wherein the companies represented have a market capitalization of no less than \$500 million, and are companies headquartered in the United States and are subject to its laws, regulations and accounting practices – 30%.
3. To maintain flexibility the Board of Fire Commissioners will instruct its financial advisor to maintain the following limits on the investments:

• Money Market Funds	As needed
• Obligations of the United States Government	100%
• Obligations of agencies of the United States	100%
• Mutual funds investing in any type of fixed income investment	20%-50%
• Mutual funds or trusts investing in stock wherein the company represented has a market capitalization of no less than \$500 million, are headquartered in the United States and are subject to its laws, regulations and accounting practices.	10%-30%
4. The Board of Fire Commissioners will meet with the financial institution representative to review the investments of the plan and make adjustments as needed.
5. Any changes to the investment plan are subject to majority vote.

IV. This policy does not rescind any adopted Investment Plan at this time.

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- V. The Board of Fire Commissioners can amend their policy at any time.
- VI. This policy is adopted effective April 8, 2002.

By Order of the Board of Fire Commissioners