

THE OKEECHOBEE UTILITY AUTHORITY EMPLOYEES' RETIREMENT SYSTEM

Investment Policy Statement

I. **PURPOSE OF INVESTMENT POLICY STATEMENT**

The Board of Trustees (the BOT) maintains that an important determinant of future investment returns is the expression and periodic review of the Okeechobee Utility Authority Employees' Retirement System (the Plan) investment objectives. To that end, the BOT has adopted this statement of Investment Policy and directs that it apply to all assets within the plan's control.

In fulfilling their fiduciary responsibility, the BOT recognizes that the Plan is an essential vehicle for providing income benefits to retired participants or their beneficiaries. The BOT also recognizes that the obligations of the Plan are long-term and that investment policy should be made with a view toward performance and return over a number of years. The general investment objective is to obtain a reasonable total rate of return, defined as interest and dividend income plus realized and unrealized capital gains or losses commensurate with the Prudent Investor Rule and any other applicable resolution and statutes.

Reasonable consistency of return and protection of assets against the inroads of inflation are paramount. However, interest rate fluctuations and volatility of securities markets make it necessary to judge results within the context of several years rather than over short periods of five years or less.

The BOT will employ investment professionals to oversee and invest the assets of the Plan. Within the parameters allowed in this document and their agreements with the BOT, the investment management professionals shall have investment discretion over their mandates, including security selection, sector weightings and investment style.

The Investment Consultant will oversee that the Investment Managers are meeting the investment policy requirements and report to the BOT any recommended changes needed in the investment management services.

The BOT, in performing their investment duties, shall comply with the fiduciary standards set forth in Employee Retirement Income Security Act of 1974 (ERISA) at 29 U.S.C. s. 1104(a) (1) (A)-(C). In case of conflict with other provisions of law authorizing investments, the investment and fiduciary standards set forth in this section shall prevail.

II. **TARGET ALLOCATIONS**

In order to provide for a diversified portfolio, the BOT has engaged investment professional(s) to manage and administer the fund. The Investment Managers are responsible for the assets and allocation of their mandate only and may be provided an addendum to this policy with their specific performance objectives and investment criteria. The BOT has established the following asset allocation targets for the total fund:

Asset Class	Target	Range	Benchmark Index
Equity			
Domestic Equity	50%	45%-55%	Russell 3000
International Equity	10%	5%-15%	MSCI ACWI ex U.S.
Fixed Income			
Domestic Fixed Income	40%	35%-45%	Barclays U.S. Aggregate

Targets and ranges above are based on market value of total Plan Assets.

The BOT and the Investment Consultant will monitor the aggregate asset allocation of the portfolio, and will rebalance to the target asset allocation based on market conditions. If at the end of any calendar month, the allocation of an asset class falls outside of its allowable range, barring extenuating circumstances such as pending cash flows or allocation levels viewed as temporary, the asset allocation will be rebalanced into the allowable range. To the extent possible, contributions and withdrawals from the portfolio will be executed proportionally based on the most current market values available and with reasonable notice provided to the Investment Managers. The BOT does not intend to exercise short-term changes to the target allocation.

III. INVESTMENT PERFORMANCE OBJECTIVES

The following performance measures will be used as objective criteria for evaluating the effectiveness of the Investment Managers.

A. Total Portfolio Performance

1. The performance of the total portfolio will be measured for rolling three (3) and five (5) year periods. The performance of the portfolio will be compared to the return of the policy indexes comprised of 50% Russell 3000 Index, 10% MSCI All Country World Index ex U.S., 40% Barclays Capital U.S. Aggregate Bond Index.
2. On a relative basis, it is expected that the total portfolio performance will rank in the top 40th percentile of the appropriate peer universe over three (3) and five (5) year time periods.
3. On an absolute basis, the objective is that the return of the total portfolio will equal or exceed the actuarial earnings assumption and provide inflation protection by meeting Consumer Price Index plus 3%. This absolute return objective will be evaluated in the context of the prevailing market conditions.
4. After two (2) consecutive quarters of not meeting the benchmark the BOT may require an explanation of why and what modification are intended to correct and improve investments strategies.

B. Equity Performance

The combined equity portion of the portfolio, defined as common stocks and convertible bonds, is expected to perform at a rate at least equal to the 83% Russell 3000 Index and 17% MSCI All Country World Index ex U.S. Individual components of the equity portfolio

will be compared to the specific benchmarks defined in each Investment Manager addendum. All portfolios are expected to rank in the top 40th percentile of the appropriate peer universe over three (3) and five (5) year time periods.

C. Fixed Income Performance

The overall objective of the fixed income portion of the portfolio is to add stability and liquidity to the total portfolio. The fixed income portion of the portfolio is expected to perform at a rate at least equal to the Barclays Capital U.S. Aggregate Bond Index. All portfolios are expected to rank in the top 40th percentile of the appropriate peer universe over three (3) and five (5) year time periods.

IV. **INVESTMENT GUIDELINES**

A. Authorized Investments

Pursuant to the investment powers of the BOT as set forth in the Florida Statutes and Okeechobee Utility Authority (OUA) Resolution, the BOT sets forth the following investment guidelines and limitations, however, additional criteria may be outlined in an Investment Manager's addendum:

1. Annuity and life insurance contracts with life insurance companies in amounts sufficient to provide, in whole or in part, the benefits to which all of the Members in the Fund shall be entitled under the provisions of this System and pay the initial and subsequent premium thereon.
2. Time or savings accounts of a national bank, a state bank insured by the Bank Insurance Fund or a savings/building and loan association insured by the Savings Association Insurance Fund which is administered by the Federal Deposit Insurance Corporation or a state or federal chartered credit union whose share accounts are insured by the National Credit Union Share Insurance Fund.
3. Obligations of the United States or obligations guaranteed as to principal and interest by the government of the United States or by an agency of the government of the United States.
4. Stocks, commingled or mutual funds, bonds or other evidences of indebtedness, provided that:
 - (a) Except as provided in subparagraph (b), all individually held securities and all securities in a commingled or mutual fund must be issued or guaranteed by a corporation organized under the laws of the United States, and state or organized territory of the United States, or the District of Columbia.
 - (b) Up to fifteen percent (15%) of the assets of the Fund may be invested in foreign securities.
 - (c) The BOT shall not invest more than five percent (5%) of its assets in the common stock, capital stock, or convertible securities of any one issuing company, nor shall the aggregate investment in any one issuing company exceed five percent (5%) of the outstanding capital stock of that company.

5. Equities:

- a. Must be traded on a national exchange or electronic network; and
- b. Not more than 5% of the Plan's assets, at the time of purchase, shall be invested in the common stock, capital stock or convertible stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company; and
- c. All individually held securities, except foreign securities as defined in section C, paragraph (2), and all securities in a commingled or mutual fund must be issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia.
- d. Commingled funds issued by national or state banks.

6. Fixed Income:

- a. Eighty-five percent (85%) of the fixed income investments shall have a minimum rating of investment grade or higher as reported by a major credit rating service such as Standard and Poor's with a rating of AAA to BBB-; and
- b. The value of bonds issued by any single corporation shall not exceed 3% of the total fund; and

7. Money Market:

- a. The money market fund or STIF options provided by the Plan's Custodian; and
- b. Have a minimum rating of A1/P1, or its equivalent, by a major credit rating service such as Standard and Poor's.

8. Pooled Funds:

Investments made by the BOT may include pooled funds. For purposes of this policy pooled funds may include, but are not limited to, mutual funds, commingled funds, exchange-traded funds, and real estate limited partnerships. Pooled funds may be governed by separate documents which may include investments not expressly permitted in this Investment Policy Statement. In the event of investment by the Plan into a pooled fund, the prospectus or governing policy of that pooled fund, as updated from time to time, shall be treated as an addendum to this Investment Policy Statement. The Investment Consultant shall periodically review with the BOT any material changes in the prospectus or governing policy of a pooled fund.

B. Trading Parameters

When feasible and appropriate, all securities shall be competitively bid. Except as otherwise required by law, the most economically advantageous bid shall be selected. Commissions paid for purchase of securities must meet the prevailing best-execution rates. The responsibility of monitoring best price and execution of trades placed by each Investment Manager on behalf of the Plan will be governed by the Portfolio Management Agreement between the Plan and the Investment Managers.

C. Limitations

1. Investments in corporate common stock and convertible bonds shall not exceed seventy percent (70%) of the market value of Plan assets.
2. Foreign securities (regardless of asset class) shall not exceed fifteen percent (15%) of the market value of Plan assets. For the purposes of this Investment Policy Statement, foreign securities are defined as bonds, stocks, or other evidences of indebtedness issued or guaranteed by a company that is not organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia.
3. All equity and fixed income securities must be readily marketable. Commingled funds must be independently appraised at least annually.
4. The Board and its Investment Managers shall comply with the applicable requirements of Chapter 2023-28, Laws of Florida, including Section 112.662, along with regulations adopted by the Department of Management Services. The term "pecuniary factor" is defined as a factor that a named fiduciary "prudently determines is expected to have a material effect on the risk or returns of an investment based on appropriate investment horizons consistent with the investment objectives and funding policy of the investment program. The term does not include the consideration of the furtherance of any social, political, or ideological interests." [112.662(1)]. In selecting Investment Managers, only pecuniary factors may be considered and the interests of the participants and beneficiaries of the system may not be subordinated to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any nonpecuniary factor. The weight given to any pecuniary factor must appropriately reflect a prudent assessment of its impact on risk or returns. [112.662(2)]. Only pecuniary factors may be considered when voting proxies. [112.662(3)]

D. Absolute Restrictions

No investments shall be permitted in;

1. Any investment not specifically allowed as part of this policy.
2. Illiquid investments, as described in Chapter 215.47, Florida Statutes.
3. Direct investment in 'Scrutinized Companies' identified in the periodic publication by the State Board of Administration ("SBA list", updated on their website www.sbafla.com/fsb/), is prohibited. Securities identified after

January 1, 2010, must be divested within twelve (12) months of the company's initial appearance on the list. However, if divestiture of business activities is accomplished and the company is subsequently removed from the SBA list, the manager can continue to hold that security. Indirect investment in 'Scrutinized Companies' (through pooled funds) are governed by the provisions of Section V. (G) below.

V. COMMUNICATIONS

- A. On a monthly basis, the Custodian shall supply an accounting statement that will include a summary of all receipts and disbursements and the cost and the market value of all assets.
- B. On a quarterly basis, the Investment Managers shall provide a written report affirming compliance with the security restrictions of Section IV (as well as any provisions outlined in the Investment Manager's addendum). In addition, the Investment Managers shall deliver a report each quarter detailing the Plan's performance, forecast of the market and economy, portfolio analysis and current assets of the Plan. Written reports shall be delivered to the BOT within 30 days of the end of the quarter. A copy of the written report shall be submitted to the person designated by the OUA, and shall be available for public inspection. The Investment Managers will provide immediate written and telephone notice to the BOT of any significant market related or non-market related event, specifically including, but not limited to, any deviation from the standards set forth in Section IV or their Investment Manager addendum.
- C. If an Investment Manager owns investments, that complied with section IV at the time of purchase, which subsequently exceed the applicable limit or do not satisfy the applicable investment standard, such excess or noncompliant investments may be continued until it is economically feasible to dispose of such investment in accordance with the prudent man standard of care, but no additional investment may be made unless authorized by law or resolution. In addition, an action plan outlining the investment 'hold or sell' strategy shall be provided to the BOT immediately.
- D. The Investment Consultant shall evaluate and report on a quarterly basis the rate of return net of investment fees and relative performance of the Plan.
- E. The BOT will meet periodically to review the Investment Consultant performance report. The BOT will meet with the Investment Manager and appropriate outside consultants to discuss performance results, economic outlook, investment strategy and tactics and other pertinent matters affecting the Plan on a periodic basis.
- F. At least annually, the BOT shall provide the Investment Managers with projected disbursement needs of the Plan so that the investment portfolio can be structured in such a manner as to provide sufficient liquidity to pay obligations as they come due. To this end the Investment Managers should, to the extent possible, attempt to match investment maturities with known cash needs and anticipated cash-flow requirements.
- G. The Investment Consultant, on behalf of the Plan, shall send a letter to any pooled fund referring the investment manager to the listing of 'Scrutinized Companies' by the State Board of Administration ('SBA list'), on their website www.sbafla.com/fsb/. This letter shall request that they consider removing such companies from the fund or create a similar actively managed fund having indirect holdings devoid of such companies. If the

manager creates a similar fund, the Plan shall replace all applicable investments with investments in the similar fund in an expedited timeframe consistent with prudent investing standards. For the purposes of this section, a private equity fund is deemed to be an actively managed investment fund. However, after sending the required correspondence, the Plan is not required to sell the pooled fund.

- H. The Board shall timely comply with the reporting requirement of Section 112.662 by filing a comprehensive report by December 15 of each odd-numbered year. [112.662(4)]. Investment managers and the Board's Investment Consultant shall assist in the preparation of required reports and shall annually confirm to the Board their compliance with Chapter 2023-28.

VI. COMPLIANCE

- A. It is the direction of the BOT that the Plan assets are held by a third party Custodian, and that all securities purchased by, and all collateral obtained by the Plan shall be properly designated as Plan assets. No withdrawal of assets, in whole or in part, shall be made from safekeeping except by an authorized member of the BOT or their designee. Securities transactions between a broker-dealer and the Custodian involving purchase or sale of securities by transfer of money or securities must be made on a 'delivery vs. payment' basis to ensure that the Custodian will have the security or money in hand at conclusion of the transaction.
- B. The investment policy shall require all approved institutions and dealers transacting repurchase agreements to execute and perform as stated in the Master Repurchase Agreement. All repurchase agreement transactions shall adhere to the requirements of the Master Repurchase Agreement.
- C. At the direction of the BOT operations of the Plan shall be reviewed by independent certified public accountants as part of any financial audit periodically required. Compliance with the BOT's internal controls shall be verified. These controls have been designed to prevent losses of assets that might arise from fraud, error, or misrepresentation by third parties or imprudent actions by the BOT or employees of the Plan sponsor, to the extent possible.
- D. Each member of the BOT shall participate in a continuing education program relating to investments and the BOT's responsibilities to the Plan. It is suggested that this education process begin during each Board member's first term.
- E. With each actuarial valuation, the BOT shall determine the total expected annual rate of return for the current year, for each of the next several years and for the long term thereafter. This determination shall be filed promptly with the Department of Management Services, the Plan's sponsor and the consulting actuary.
- F. The proxy votes must be exercised for the exclusive benefit of the participants of the Plan. Each Investment Manager shall provide the BOT with a copy of their proxy voting policy for approval. On a regular basis, at least annually, each manager shall report a record of their proxy vote.
- G. The Investment Consultant will provide Investment Managers for consideration based solely on pecuniary factors as defined by Florida Statutes §112.662.

- H. If a Request for Proposals document is issued for Investment Manager services, the solicitation document must include the following: The Board of Trustees may not request documentation of or consider a vendor's social, political, or ideological interests when determining if the vendor is a responsible vendor. Additionally, the Board of Trustees may not give preference to a vendor based on vendor's social, political, or ideological interests.

VII. CRITERIA FOR INVESTMENT MANAGER REVIEW

The BOT wishes to adopt standards by which judgments of the ongoing performance of an Investment Manager may be made. If, at any time, any three (3) of the following is breached, the Investment Manager shall be warned of the BOT's serious concern for the Plan's continued safety and performance. If any five (5) of these are violated the Investment Consultant shall recommend an Investment Manager evaluation for that mandate.

- Four (4) consecutive quarters of relative under-performance versus the benchmark.
- Three (3) year trailing return below the top 40th percentile within the appropriate peer group and under performance versus the benchmark.
- Five (5) year trailing return below the top 40th percentile and under performance versus the benchmark.
- Three (3) year downside volatility greater than the index (greater than 100), as measured by down market capture ratio.
- Five (5) year downside volatility greater than the index (greater than 100), as measured by down market capture ratio.
- Style consistency or purity drift from the mandate.
- Management turnover in portfolio team or senior management.
- Investment process change, including varying the index or benchmark.
- Failure to adhere to the Investment Policy Statement, Investment Manager Addendum or other compliance issues.
- Investigation of the firm by the Securities and Exchange Commission (SEC) or other regulatory agency.
- Significant asset flows into or out of the company or strategy.
- Merger or sale of firm.
- Fee increases outside of the competitive range
- Servicing issues – key personnel stop servicing the account without proper notification.

Nothing in this section shall limit or diminish the BOT's right to terminate the Investment Manager at any time for any reason.

VIII. CRITERIA FOR INVESTMENT CONSULTANT

The Investment Consultant for the pension plan risk management is a broad concept that touches every aspect of the Fund's management. Sound risk management involves identifying the various risks and mitigating unintended or undesired risks to the extent possible. This requires in-depth analysis of both processes and portfolio positions. The goal is to ensure that prudent risks are being taken and investment policies that are appropriate for

the stated objectives and market environment.

The Investment Consultant will provide a systematic, consistent, and rational framework for investment manager retention and termination decisions, thereby avoiding and hap hazardous actions that may adversely impact the Fund returns. In addition, the Investment Policy is intended to:

- Foster a long-term approach to manager evaluation;
- Provide a logical and consistent framework to evaluate manger skills;
- Improve client/manager communication by apprising each manager of the quantitative and qualitative standards by which they will be judged, and the near-term and long-term consequences of failing to meet these standards;
- Promote timely and appropriate responses to actual and potential performance issues; and
- Provide flexibility to allow application across all asset classes, management styles and market environments.

IX. APPLICABLE STATUTES

If at any time this document or the OUA Plan Document is found to be in conflict with the applicable Florida Statutes, the Statutes shall prevail.

X. REVIEW AND AMENDMENTS

It is the BOT's intention to review this document periodically and to amend this statement to reflect any changes in philosophy, objectives, or guidelines. In this regard, the Investment Managers interest in consistency in these matters is recognized and will be taken into account when changes are being considered. If, at any time, the Investment Manager feels that the specific objectives defined herein cannot be met, or the guidelines constrict performance, the BOT should be notified in writing. By initialing and continuing acceptance of this Investment Policy Statement, the Investment Managers concur with the provisions of this document. By signing this document, the Chairman attests that this policy has been recommended by the Investment Consultant, reviewed by the Plan's legal counsel for compliance with applicable law, and approved by the BOT.

XI. FILING OF THE INVESTMENT POLICY

Upon adoption by the BOT, the Investment Policy Statement shall be promptly filed with the Florida Department of Management Services and the Plan's actuary. The effective date of the Investment Policy Statement shall be the 31 days following the filing date.

THE OKEECHOBEE UTILITY AUTHORITY EMPLOYEES' RETIREMENT SYSTEM



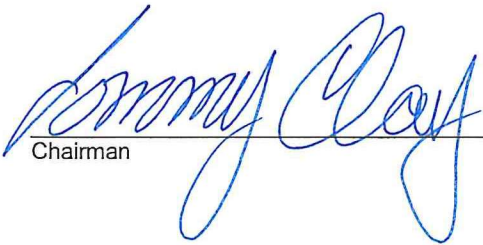
Chairman, Board of Trustees

8-15-23

Date

THE OKEECHOBEE UTILITY AUTHORITY BOARD OF DIRECTORS

The Okeechobee Utility Authority Board of Directors have reviewed the Investment Policy and have approved the adoption as it has been presented.



Chairman

8-15-2023

Date

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3. Obligations of the United States or obligations guaranteed as to principal and interest by the government of the United States or by an agency of the government of the United States.
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January 1, 2010, must be divested within twelve (12) months of the company's initial appearance on the list. However, if divestiture of business activities is accomplished and the company is subsequently removed from the SBA list, the manager can continue to hold that security. Indirect investment in 'Scrutinized Companies' (through pooled funds) are governed by the provisions of Section V. (G) below.

V. COMMUNICATIONS

- A. On a monthly basis, the Custodian shall supply an accounting statement that will include a summary of all receipts and disbursements and the cost and the market value of all assets.
- B. On a quarterly basis, the Investment Managers shall provide a written report affirming compliance with the security restrictions of Section IV (as well as any provisions outlined in the Investment Manager's addendum). In addition, the Investment Managers shall deliver a report each quarter detailing the Plan's performance, forecast of the market and economy, portfolio analysis and current assets of the Plan. Written reports shall be delivered to the BOT within 30 days of the end of the quarter. A copy of the written report shall be submitted to the person designated by the OUA, and shall be available for public inspection. The Investment Managers will provide immediate written and telephone notice to the BOT of any significant market related or non-market related event, specifically including, but not limited to, any deviation from the standards set forth in Section IV or their Investment Manager addendum.
- C. If an Investment Manager owns investments, that complied with section IV at the time of purchase, which subsequently exceed the applicable limit or do not satisfy the applicable investment standard, such excess or noncompliant investments may be continued until it is economically feasible to dispose of such investment in accordance with the prudent man standard of care, but no additional investment may be made unless authorized by law or resolution. In addition, an action plan outlining the investment 'hold or sell' strategy shall be provided to the BOT immediately.
- D. The Investment Consultant shall evaluate and report on a quarterly basis the rate of return net of investment fees and relative performance of the Plan.
- E. The BOT will meet periodically to review the Investment Consultant performance report. The BOT will meet with the Investment Manager and appropriate outside consultants to discuss performance results, economic outlook, investment strategy and tactics and other pertinent matters affecting the Plan on a periodic basis.
- F. At least annually, the BOT shall provide the Investment Managers with projected disbursement needs of the Plan so that the investment portfolio can be structured in such a manner as to provide sufficient liquidity to pay obligations as they come due. To this end the Investment Managers should, to the extent possible, attempt to match investment maturities with known cash needs and anticipated cash-flow requirements.
- G. The Investment Consultant, on behalf of the Plan, shall send a letter to any pooled fund referring the investment manager to the listing of 'Scrutinized Companies' by the State Board of Administration ('SBA list'), on their website www.sbafla.com/fsb/. This letter shall request that they consider removing such companies from the fund or create a similar actively managed fund having indirect holdings devoid of such companies. If the

manager creates a similar fund, the Plan shall replace all applicable investments with investments in the similar fund in an expedited timeframe consistent with prudent investing standards. For the purposes of this section, a private equity fund is deemed to be an actively managed investment fund. However, after sending the required correspondence, the Plan is not required to sell the pooled fund.

- H. The Board shall timely comply with the reporting requirement of Section 112.662 by filing a comprehensive report by December 15 of each odd-numbered year. [112.662(4)]. Investment managers and the Board's Investment Consultant shall assist in the preparation of required reports and shall annually confirm to the Board their compliance with Chapter 2023-28.

VI. COMPLIANCE

- A. It is the direction of the BOT that the Plan assets are held by a third party Custodian, and that all securities purchased by, and all collateral obtained by the Plan shall be properly designated as Plan assets. No withdrawal of assets, in whole or in part, shall be made from safekeeping except by an authorized member of the BOT or their designee. Securities transactions between a broker-dealer and the Custodian involving purchase or sale of securities by transfer of money or securities must be made on a 'delivery vs. payment' basis to ensure that the Custodian will have the security or money in hand at conclusion of the transaction.
- B. The investment policy shall require all approved institutions and dealers transacting repurchase agreements to execute and perform as stated in the Master Repurchase Agreement. All repurchase agreement transactions shall adhere to the requirements of the Master Repurchase Agreement.
- C. At the direction of the BOT operations of the Plan shall be reviewed by independent certified public accountants as part of any financial audit periodically required. Compliance with the BOT's internal controls shall be verified. These controls have been designed to prevent losses of assets that might arise from fraud, error, or misrepresentation by third parties or imprudent actions by the BOT or employees of the Plan sponsor, to the extent possible.
- D. Each member of the BOT shall participate in a continuing education program relating to investments and the BOT's responsibilities to the Plan. It is suggested that this education process begin during each Board member's first term.
- E. With each actuarial valuation, the BOT shall determine the total expected annual rate of return for the current year, for each of the next several years and for the long term thereafter. This determination shall be filed promptly with the Department of Management Services, the Plan's sponsor and the consulting actuary.
- F. The proxy votes must be exercised for the exclusive benefit of the participants of the Plan. Each Investment Manager shall provide the BOT with a copy of their proxy voting policy for approval. On a regular basis, at least annually, each manager shall report a record of their proxy vote.
- G. The Investment Consultant will provide Investment Managers for consideration based solely on pecuniary factors as defined by Florida Statutes §112.662.

- H. If a Request for Proposals document is issued for Investment Manager services, the solicitation document must include the following: The Board of Trustees may not request documentation of or consider a vendor's social, political, or ideological interests when determining if the vendor is a responsible vendor. Additionally, the Board of Trustees may not give preference to a vendor based on vendor's social, political, or ideological interests.

VII. CRITERIA FOR INVESTMENT MANAGER REVIEW

The BOT wishes to adopt standards by which judgments of the ongoing performance of an Investment Manager may be made. If, at any time, any three (3) of the following is breached, the Investment Manager shall be warned of the BOT's serious concern for the Plan's continued safety and performance. If any five (5) of these are violated the Investment Consultant shall recommend an Investment Manager evaluation for that mandate.

- Four (4) consecutive quarters of relative under-performance versus the benchmark.
- Three (3) year trailing return below the top 40th percentile within the appropriate peer group and under performance versus the benchmark.
- Five (5) year trailing return below the top 40th percentile and under performance versus the benchmark.
- Three (3) year downside volatility greater than the index (greater than 100), as measured by down market capture ratio.
- Five (5) year downside volatility greater than the index (greater than 100), as measured by down market capture ratio.
- Style consistency or purity drift from the mandate.
- Management turnover in portfolio team or senior management.
- Investment process change, including varying the index or benchmark.
- Failure to adhere to the Investment Policy Statement, Investment Manager Addendum or other compliance issues.
- Investigation of the firm by the Securities and Exchange Commission (SEC) or other regulatory agency.
- Significant asset flows into or out of the company or strategy.
- Merger or sale of firm.
- Fee increases outside of the competitive range
- Servicing issues – key personnel stop servicing the account without proper notification.

Nothing in this section shall limit or diminish the BOT's right to terminate the Investment Manager at any time for any reason.

VIII. CRITERIA FOR INVESTMENT CONSULTANT

The Investment Consultant for the pension plan risk management is a broad concept that touches every aspect of the Fund's management. Sound risk management involves identifying the various risks and mitigating unintended or undesired risks to the extent possible. This requires in-depth analysis of both processes and portfolio positions. The goal is to ensure that prudent risks are being taken and investment policies that are appropriate for

the stated objectives and market environment.

The Investment Consultant will provide a systematic, consistent, and rational framework for investment manager retention and termination decisions, thereby avoiding and hap hazardous actions that may adversely impact the Fund returns. In addition, the Investment Policy is intended to:

- Foster a long-term approach to manager evaluation;
- Provide a logical and consistent framework to evaluate manger skills;
- Improve client/manager communication by apprising each manager of the quantitative and qualitative standards by which they will be judged, and the near-term and long-term consequences of failing to meet these standards;
- Promote timely and appropriate responses to actual and potential performance issues; and
- Provide flexibility to allow application across all asset classes, management styles and market environments.

IX. APPLICABLE STATUTES

If at any time this document or the OUA Plan Document is found to be in conflict with the applicable Florida Statutes, the Statutes shall prevail.

X. REVIEW AND AMENDMENTS

It is the BOT's intention to review this document periodically and to amend this statement to reflect any changes in philosophy, objectives, or guidelines. In this regard, the Investment Managers interest in consistency in these matters is recognized and will be taken into account when changes are being considered. If, at any time, the Investment Manager feels that the specific objectives defined herein cannot be met, or the guidelines constrict performance, the BOT should be notified in writing. By initialing and continuing acceptance of this Investment Policy Statement, the Investment Managers concur with the provisions of this document. By signing this document, the Chairman attests that this policy has been recommended by the Investment Consultant, reviewed by the Plan's legal counsel for compliance with applicable law, and approved by the BOT.

XI. FILING OF THE INVESTMENT POLICY

Upon adoption by the BOT, the Investment Policy Statement shall be promptly filed with the Florida Department of Management Services and the Plan's actuary. The effective date of the Investment Policy Statement shall be the 31 days following the filing date.

THE OKEECHOBEE UTILITY AUTHORITY EMPLOYEES' RETIREMENT SYSTEM



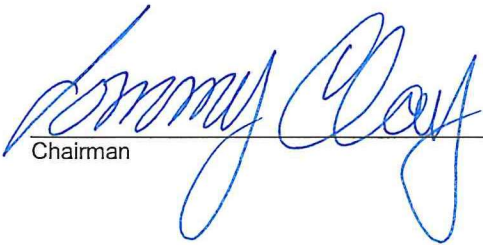
Chairman, Board of Trustees

8-15-23

Date

THE OKEECHOBEE UTILITY AUTHORITY BOARD OF DIRECTORS

The Okeechobee Utility Authority Board of Directors have reviewed the Investment Policy and have approved the adoption as it has been presented.



Chairman

8-15-2023

Date