BUFFALO GROVE POLICE PENSION FUND
Statement of Investment Policy, Objectives and Guidelines
July 2017

I. Scope and Purpose

This investment policy applies to all assets of the Buffalo Grove Police Pension Fund. The primary objective of the Buffalo Grove Police Pension Fund is to provide eligible employees with retirement benefits.

II. Parties Associated With the Plan

A. Board of Trustees (Board) for the Buffalo Grove Police Pension Fund

1. Hold ultimate responsibility for the Fund and the appropriateness of its investment policy and its execution.

2. May retain consultants, money managers and other advisors to implement and execute investment policy as it relates to the Fund.

3. Reviews adequacy or need for change of this statement.

4. Meets quarterly and reviews reports concerning the Funds asset management.

5. Engages a custodian.

6. Defines investment policy, objectives and guidelines for the Fund including risk tolerance.

7. Administers the Fund in accordance with the Illinois Pension Code, Illinois Compiled Statutes Chapter 40 Act 5 Articles 1 and 3.

B. Custodian

1. Accepts possession of securities for safe keeping, collects and disburses income, collects principal of sold, matured or called items, and provides accurate, timely market value pricing, including accrued interest, for all securities under their care.

2. Provides timely monthly statements, which accurately detail all transactions in the accounts, as well as accurately describe all of the securities owned.

3. Effects receipt and delivery following purchases and sales of securities on a timely and accurate basis.

4. Ensures that all cash is productively employed at all times.

5. Meets as required with the Board of Trustees, and provides reports relative to the status of the Plan.

C. Investment Consultant

1. Assists the Board of Trustees in developing investment policy guidelines, including asset class choices, asset allocation targets and risk diversification.

2. Conducts money manager searches when requested by the Board of Trustees.

3. Provides the Board of Trustees with objective information on a broad spectrum of investment decisions. Assists in evaluating the merits of each particular investment product, and evaluation of a money manager as to his track record, management style and quality.

4. Monitors the performance of the aggregate plan and investment managers, and provides regular quarterly reports to the Board of Trustees, which aids in determining the progress made towards the investment objectives.

D. Money Managers

1. Have full discretion of the management of the assets allocated to the investment managers, subject to overall investment guidelines set by the Board of Trustees.

2. Serve as fiduciaries responsible for specific securities decisions.

3. Will abide by the Illinois Pension Code which governs the Illinois Downstate Police Pension Funds, Illinois Compiled Statues Chapter 40 Act 5 Articles 1-113.2, 1-113.3 and 1-113.4, and will abide by duties, responsibilities and guidelines detailed in any specific investment manager agreement entered into by the manager and Board of Trustees.

4. Report at least quarterly the current investments held in the account, their current market value, all transactions within the account, and account performance both gross and net of all fees.

5. Communicate any major changes in economic outlook, investment strategy, or any other factors which affect implementation of their investment process, or the investment objective of the Plan.

6. Inform the Board in regards to any qualitative change in the investment management organization: Examples include changes in portfolio management personnel, ownership structure, investment philosophy, etc.

III. Investment Objectives and Guidelines

A. Policies

1. The primary policies of the fund, in order of priority are as follows:

   a. **Safety** Investments shall be undertaken in a manner that seeks to ensure the preservation of capital. As such, the Board of Trustees has consciously diversified the aggregate fund, to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio. Diversification is to be interpreted to include, diversification by asset type, by characteristic, by number of investments, and in the case of investment managers, by investment style.

b. **Liquidity** The investment portfolio will remain sufficiently liquid to enable the Pension Fund to pay all necessary benefits, and meet all operating requirements which might be reasonably anticipated.

c. **Return on Investment** Assets will be invested to achieve attractive real rates of return. Following the Prudent Man Standard for preservation of capital, assets will be invested to achieve the highest possible rate of return, consistent with the plan's tolerance for risk, as determined by the Board of Trustees in its role as a fiduciary.

2. Investment management can be delegated to external professional organizations. The managers will operate within a set of guidelines, objectives, and constraints, which are attached hereto. It is the judgment of the Board at this time, that there is no immediate need for liquidity with respect to those assets which are managed by money managers. In the short term, the Board believes that the obligations of the fund will be met by other monies, and should not be a concern of any investment manager. The Board will periodically provide investment managers with an estimate of expected net cash flows with sufficient advance notice to allow the orderly buildup of necessary liquid reserves.

3. The Board of Trustees will follow the policy that, except for established guidelines, state statute, and unusual circumstances, the fund's investment managers will place no restriction on the selection of individual investments.

4. As a Downstate Police Pension Fund in the State of Illinois, the Fund is restricted by the Illinois Pension Code, Illinois Compiled Statues Chapter 40 Act 5 Articles 1 and 3. These statutes are hereby incorporated into this policy statement by reference herein.

5. Investments made in contracts and agreements of Life Insurance Companies licensed to do business in the State of Illinois, shall be rated at least A+ by A.M. Best Company, Aa rated by Moody's, and AA+ rated by Standard and Poor's rating services. Notwithstanding, the portfolio of the general account of the Insurance Company shall not invest more than 10% of the portfolio in real estate and/or more than 10% of the portfolio in bonds with ratings of less than Baa1 by Moody's or BBB+ by Standard and Poor's.

6. The total investment in the accounts described in paragraph 5 above shall not exceed 10% of the aggregate market value of the Fund.

7. Investment grade general obligation debt issued by the State of Illinois, or any county, township or municipal corporation of the State of Illinois, may be held in the portfolio. Issuers that are downgraded to less than investment grade by one of the two largest rating services must be sold.

8. Investment grade U.S. dollar denominated non-convertible corporate bonds may be held in the portfolio. Said securities shall be rated investment grade by one of the two largest rating services at the time of purchase, and sold within 90 days if the issuer is downgraded to less than investment grade by either of the two largest rating services.

9. Proxies shall be voted by the Board of Trustees unless investment advisors who have discretionary control over assets of the plan are employed. Then, the plan's managers shall vote all proxies in the best interest of the plan and its participants. Should voting issues or situations arise which are not covered specifically in the guidelines, or if policy guidelines

clarification is needed by an investment manager, the Board of Trustees should be considered as the source for such clarification.

B. Prohibited Transactions

1. Prohibited transactions are those transactions specifically prohibited in the Illinois Pension Code, Illinois Compiled Statues Chapter 40 Act 5 Sections 1-110, 1-111 and 3-135, as well as:

    a. Short selling
    b. Margin transactions
    c. Transactions involving futures or options contracts
    d. Reverse repurchase agreements
    e. Repurchase agreements
    f. Borrowing or lending of cash or securities
    g. Derivatives
    h. Collateralized mortgage obligations
    i. Commercial paper
    j. American Depository Receipts (ADR's)

    Nothing in this section shall prohibit the plan from owning eligible long only instruments that may make use of the above strategies.

C. Portfolio Asset Allocation Guidelines

1. The Board of Trustees has adopted the asset allocation policy shown below for plan assets. Target percentages have been determined for each asset class, along with allocation ranges. Equities shall not exceed 70% of the portfolio if said overweight is the result of growth of the equity portfolio. The Board will not be required to remain strictly within the designated ranges. Market conditions or an investment transition may require an interim investment strategy, and therefore a temporary imbalance in asset mix.

	Min	**Target**	**Max**
Cash	2%	2%	5%
Fixed Income	25%	33%	68%
Equities	30%	65%	70%

Equity Sub-set guidelines	**Min**	**Target**	**Max**
Large Cap Domestic Equities	28%	52%	68%
Small Cap Domestic Equities	2.0%	5%	7%
International Equities	0.0%	5%	7%
Real Estate	0.0%	3%	5%

2. Cash investments shall be defined as funds which can be quickly liquidated without loss of principal.

3. Fixed income investments shall be defined as U.S. Government or U.S Government agency bonds, certificates of deposit, municipal bonds, U.S. dollar denominated investment grade non-convertible corporate bonds, fixed annuities, or guaranteed investment contracts of an insurance company, commingled trust accounts which only invest in the above described investment vehicles and Exchanged Traded Funds which invest in U.S. corporate debt (bond) instruments.

4. Equity securities shall be defined as preferred or common stocks created, or existing under the laws of the United States, and are listed on a National Securities Exchange, Board of Trade, or are quoted in the National Association of Securities Dealers Automated Quotation System National Market System. Said issuers shall have been in existence for at least 5 years, and have not been in arrears of any payment of dividends on its preferred stock during the preceding 5 years. Domestic equities shall also be defined as diversified open end mutual funds managed by an investment company as defined and registered under the Federal Investment Company Act of 1940, and registered under the Illinois Securities Law of 1953, have been in operation for at least 5 years, have total assets of $250 million or more and invest in a diversified portfolio of common or preferred stocks, bonds, or money market instruments and exchange traded funds (ETF's) which invest in diversified portfolio of domestic equities.

5. International and real estate securities shall be defined as diversified mutual funds managed by an investment company, as defined and registered under the Federal Investment Company Act of 1940, and registered under the Illinois Securities Law of 1953, have been in operation for at least 5 years, have total assets of $250 million or more and invest in a diversified portfolio of stocks, bonds, or money market instruments, and exchange traded funds (ETF's) which invest in diversified portfolio of equities.

IV. Performance Objectives

A. Objectives

1. Over a five-year investment horizon, it is the goal of the aggregate plan to meet or exceed a total rate of return of 7.0%. This investment goal is not meant to be imposed on each investment manager. Specific investment goals and constraints for each investment manager, if any, shall be incorporated as part of this statement. Each manager shall receive a written set of manager guidelines outlining his specific goals and constraints, as they may differ from those objectives of the entire plan.

2. Meet or exceed the return of the blended market indices of 45% of the Barclays Capital Aggregate Bond Index, and 55% of the S & P 500 Total Return Index.

3. The fund shall generally display an overall level of risk in the aggregate portfolio which is consistent with the risk associated with the benchmarks specified in paragraph 2 above. Risk will be measured by the annualized standard deviation of monthly returns for the trailing 5 years.

4. The Board of Trustees understands that in order to achieve its objectives for the plan assets, the plan will experience volatility of returns and fluctuations of market value as well as periods of losses. Losses will be viewed within the context of appropriate market indices.

5. Performance will be reviewed for the most current quarter, calendar year-to-date, trailing one, three, and five years, and since inception.

V. Liability

1. The Board of Trustees, members, and employees acting in accordance with prescribed procedures and exercising due diligence shall be relieved of personal responsibility for the performance of any security as to price and/or earnings, provided that deviations from expectations are reported promptly, and appropriate action is taken to minimize adverse developments.

This statement is adopted on JULY 11 20 17 by the Board of Trustees of the Fund whose signatures appear below.

____________________ President

____________________ Secretary

BUFFALO GROVE POLICE PENSION FUND
Stratford Fixed Income Management Guidelines
July 2017

I. Investment Philosophy

1. The manager is expected to manage assets in a style similar to the one utilized over the past three years. Any significant deviation from the managers stated style would require written approval from the Board of Trustees.

2. The manager is expected to earn the highest possible rate of return consistent with the risk tolerance of the Board of Trustees.

II. Fixed Income Guidelines

1. The following instruments are the only investment vehicles in which the manager shall be permitted to invest.

   a. Bonds, notes, certificates of indebtedness, treasury bills, or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest.

   b. Up to 30% of the fixed income portfolio may be invested in U.S. dollar denominated non-convertible corporate bonds subject to the following restrictions: No single position shall be greater than 3% of the fixed income portfolio and no single issuer shall carry a weight greater than 5% at the time of purchase of the fixed income portfolio. At the time of purchase, said debt shall be rated not less than A by Standard & Poor's or A2 by Moody's rating services, and shall be sold if said issuer is downgraded to less than investment grade by either Moody's or Standard & Poor's.

   c. Up to 20 % of the aggregate portfolio may be invested in exchange traded funds which invest in U.S. corporate debt instruments at the time of purchase. No more than 5% of said instruments may be held in the account.

   d. Up to 5% of the fixed account may be invested in investment grade general obligation bonds issued by the State of Illinois, or any county, township or municipal corporation of the State of Illinois.

   e. FDIC insured certificates of deposit of any federally chartered bank. Certificates of deposit in any Illinois chartered bank are allowed, so long as said bank certifies annually to the Board of Trustees that it does not engage in predatory lending practices.

   f. The original issue size of securities selected should be such to afford a high degree of marketability.

   g. Money market mutual funds registered under the Investment Act of 1940, provided that the portfolio of any such money market fund is limited to obligations described in paragraphs a, b, and c above.

III. Performance

1. Manager performance shall be measured using a three-year moving average and shall:

   a. Meet or exceed, net of fees, the returns of an unmanaged market index comprised of the Barclays Capital Aggregate Bond Index. The return on the fund's investments shall include net income and appreciation.

   b. Achieve a total rate of return, gross of fees, of the top 50% of a peer group of active fixed income managers with like investment constraints. Returns shall be evaluated in conjunction with the risk taken by the investment manager relative to the risk taken by the universe of managers. These criteria shall be evaluated over longer market cycles of 3, 5, 7 and 10 years.

   c. Performance will be reviewed for three months, calendar year-to-date, one, three and five years and since inception.

I have received the Statement of Investment Policy, Objectives and Guidelines, and the Fixed Income Management Guidelines of the Buffalo Grove Police Pension Fund this 17TH day of JULY 2017 and agree to comply with the provisions of this statement.

[signature] Investment Professional

Signature

ARTHUR J. BUSBY, JR.

Printed Name and Title

IV. Investment Philosophy

3. The manager is expected to manage assets in a style similar to the one utilized over the past three years. Any significant deviation from the managers stated style would require written approval from the Board of Trustees.

4. The manager is expected to earn the highest possible rate of return consistent with the risk tolerance of the Board of Trustees.

V. Fixed Income Guidelines

2. The following instruments are the only investment vehicles in which the manager shall be permitted to invest.

   h. Bonds, notes, certificates of indebtedness, treasury bills, or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest.

   i. Up to 60% of the fixed income portfolio may be invested in U.S. dollar denominated non-convertible corporate bonds subject to the following restrictions: Said securities shall be rated investment grade by one of the two largest rating services at the time of purchase, and sold within 90 days if the issuer is downgraded to less than investment grade by any of the two largest rating services. No single position shall be greater than 3% of the fixed income portfolio and no single issuer shall carry a weight greater than 5% of the fixed income portfolio at the time of purchase.

   j. Up to 5% of the fixed account may be invested in investment grade general obligation bonds issued by the State of Illinois, or any county, township or Municipal Corporation of the State of Illinois.

   k. FDIC insured certificates of deposit of any federally chartered bank. Certificates of deposit in any Illinois chartered bank are allowed, so long as said bank certifies annually to the Board of Trustees that it does not engage in predatory lending practices.

   l. The original issue size of securities selected should be such to afford a high degree of marketability.

   m. Money market mutual funds registered under the Investment Act of 1940, provided that the portfolio of any such money market fund is limited to obligations described in paragraphs a, b, and c above.

VI. Performance

2. Manager performance shall be measured using a three-year moving average and shall:

   d. Meet or exceed, net of fees, the returns of an unmanaged market index comprised of the Barclays Capital Aggregate Bond Index. The return on the fund's investments shall include net income and appreciation.

   e. Achieve a total rate of return, gross of fees, of the top 50% of a peer group of active fixed income managers with like investment constraints. Returns shall be evaluated.in conjunction with the risk taken by the investment manager relative to the risk taken by the universe of managers. These criteria shall be evaluated over longer market cycles of 3, 5, 7 and 10 years.

   f. Performance will be reviewed for three months, calendar year-to-date, one, three and five years and since inception.

I have received the Statement of Investment Policy, Objectives and Guidelines, and the Fixed Income Management Guidelines of the Buffalo Grove Police Pension Fund this 13 day of July 20 17 and agree to comply with the provisions of this statement.

N Rodriguez Investment Professional

Signature

Nancy Rodriguez Partner Fixed Income Portfolio Manager

Printed Name and Title

BUFFALO GROVE POLICE PENSION FUND
OakBrook Investments Equity Guidelines
July 2017

I. Investment Philosophy

1. The manager is expected to manage assets in a style similar to the one utilized over the past three years. Any significant deviation from the managers stated style would require written approval from the Board of Trustees.

2. The manager is expected to earn the highest possible rate of return consistent with the risk tolerance of the Board of Trustees.

II. Common Stock Guidelines

1. The following instruments are the only investment vehicles in which the manager shall be permitted to invest:

   a. Cash should not exceed 10% of the equity portfolio.

   b. Equity securities shall mean preferred and common stocks of issuers created, or existing under the laws of the United States, and are listed on a national securities exchange, board of trade, or are quoted in the National Association of Securities Dealers Automated Quotation System National Market System (NASDAQNMS). Said insurers shall have been in existence for.at least 5 years, and have not been in arrears of any payment of dividends on its preferred stock during the preceding 5 years. Exchange traded funds (ETF's) which do not employ leverage or inverse techniques are also permitted.

   c. Equity investment in any one company shall be no more or less than 2 percent different than the companies' weight in the S& P 500 Index at the time of rebalancing.

   d. If the management firm has investments in equities of any one company that exceeds 5% of the company's equity outstanding, it shall be brought to the immediate attention of the Board of Trustees.

   e. The manager is expected to prudently diversify the portfolio across industry and economic sectors. It is expected that all economic sectors of the S&P 500 Index that exceed 5% weight in the Index will be represented in the portfolio. Furthermore, the manager shall not overweight or underweight any economic sector in the S & P 500 Index by more or less than 5% at the time of rebalancing.

   f. Generally, the equity portfolio shall display an overall level of risk, which is consistent with the level of risk associated with the S & P 500 Total Return Index. Risk will be measured by the annualized standard deviation of monthly returns.

III. **Performance**

1. Manager performance shall be measured using a three-year moving average and shall:

   a. Meet or exceed, net of fees, the returns of an unmanaged market index comprised of the Standard & Poor's 500 Index.

   b. Achieve a total rate of return, gross of fees, of the top 35% of a peer group of active equity large-cap core managers. Returns shall be evaluated in conjunction with the risk taken by the investment manager relative to the risk taken by the universe of managers. These criteria shall be evaluated over longer market cycles of 3, 5, and 7 years.

   c. Performance will be reviewed for the most recent quarter, calendar year-to-date, trailing one, three and five years and since inception.

I have received the Statement of Investment Policy, Objectives and Guidelines, and the Equity Guidelines of the Buffalo Grove Police Pension Fund this 13 day of July 2017 and agree to comply with the provisions of this statement.

Janna L Sampson Investment Professional

Signature

JANNA L SAMPSON, MANAGING MEMBER & CO-CIO

Printed Name and Title

BUFFALO GROVE POLICE PENSION FUND
Zacks Equity Guidelines
July 2017

I. Investment Philosophy

1. The manager is expected to manage assets in a style similar to the one utilized over the past three years. Any significant deviation from the managers stated style would require written approval from the Board of Trustees.

2. The manager is expected to earn the highest possible rate of return consistent with the risk tolerance of the Board of Trustees.

II. Common Stock Guidelines

1. The following instruments are the only investment vehicles in which the manager shall be permitted to invest:

   a. Cash should not exceed 10% of the equity portfolio.

   b. Equity securities shall mean preferred and common stocks of issuers created or existing under the laws of the United States and are listed on a national securities exchange, board of trade or are quoted in the National Association of Securities Dealers Automated Quotation System National Market System (NASDAQNMS). Said issuers shall have been in existence for at least 5 years, and have not been in arrears of any payment of dividends on its preferred stock during the preceding 5 years. Exchange traded funds (ETF's) which do not employ leverage or inverse techniques are also permitted.

   c. Equity investment in any one company shall not exceed 5% of the equity portfolio at the time of purchase.

   d. If the management firm has investments in equities of any one company that exceeds 5% of the company's equity outstanding, it shall be brought to the immediate attention of the Board of Trustees.

   e. The manager is expected to prudently diversify the portfolio across industry and economic sectors. It is expected that at least 60% of the major industry sectors in the Russell 3000 Index will be represented in the portfolio. Furthermore, the manager is to notify the Board of Trustees with an explanation, when any Russell 3000 industry is overweighed by more than 2 times the industry weight.

   f. Generally, the equity portfolio shall display an overall level of risk, which is consistent with the level of risk associated with the Russell 3000 Total Return Index. Risk will be measured by the annualized standard deviation of monthly returns.

III. Performance

1. Manager performance shall be measured using a three-year moving average and shall:

   a. Meet or exceed, net of fees, the returns of an unmanaged market index comprised of the Russell 3000 Index.

   b. Achieve a total rate of return, gross of fees, of the top 35% of a peer group of active equity all-cap managers. Returns shall be evaluated in conjunction with the risk taken by the investment manager relative to the risk taken by the universe of managers. These criteria shall be evaluated over longer market cycles of 3, 5, 7 and 10 years.

   c. Performance will be reviewed for three months, calendar year-to-date, one, three and five years and since inception.

I have received the Statement of Investment Policy, Objectives and Guidelines, and the Equity Guidelines of the Buffalo Grove Police Pension Fund this 25 day of July 2017 and agree to comply with the provisions of this statement.

______________________ Investment Professional

Signature

DONALD RALPH, CFO

Printed Name and Title

BUFFALO GROVE POLICE PENSION FUND
Small Cap Equity Guidelines
July 2017

I. Investment Philosophy

1. The manager is expected to manage assets in a style similar to the one utilized over the past three years. Any significant deviation from the managers stated style would require written approval from the Board of Trustees.

2. The manager is expected to earn the highest possible rate of return consistent with the risk tolerance of the Board of Trustees.

II. Common Stock Guidelines

1. The following instruments are the only investment vehicles in which the manager shall be permitted to invest:

   a. Cash should not exceed 5% of the equity portfolio.

   b. Equity securities shall mean mutual funds managed by an investment company, as defined and registered under the Federal Investment Company Act of 1940, and are registered under the Illinois Securities Law of 1953, have been in operation for at least 5 years, have total assets of at least $250 million, and invest in a diversified portfolio of common or preferred stocks and exchange traded funds (ETF's) which invest in a portfolio of domestic equities.

   c. The manager/mutual fund/ETF are expected to prudently diversify the portfolio across industry and economic sectors. It is expected that at least 60% of the major industry sectors in the S&P 600 Index will be represented in the portfolio.

   d. Generally, the equity portfolio shall display an overall level of risk, which is consistent with the level of risk associated with the S&P 600 Index. Risk will be measured by the annualized standard deviation of monthly returns.

III. Performance

1. Manager performance shall be measured using a three-year moving average and shall:

   a. Meet or exceed, net of fees, the returns of an unmanaged market index comprised of the S&P 600 Index.

   b. Achieve a total rate of return, gross of fees, of the top 35% of a peer group of active equity small-cap managers. Returns shall be evaluated in conjunction with the risk taken by the investment manager relative to the risk of the S&P 600 Index, and generally display the risk associated with the S&P 600 Index. Risk will be measured by the annualized standard deviation of monthly returns. These criteria shall be evaluated over longer market cycles of 3, 5, 7 and 10 years.

   c. Performance will be reviewed for three months, calendar year-to-date, one, three and five years and since inception.

I have received the Statement of Investment Policy, Objectives and Guidelines, and the Equity Guidelines of the Buffalo Grove Police Pension Fund this 14th day of July 2017 and agree to comply with the provisions of this statement.

David J. Wall Investment Professional

Signature

DAVID J. WALL - PRINCIPAL

Printed Name and Title

BUFFALO GROVE POLICE PENSION FUND
International Mutual Fund Guidelines
July 2017

I. Investment Philosophy

1. The manager is expected to manage assets in a style similar to the one utilized over the past three years. Any significant deviation from the managers stated style would require written approval from the Board of Trustees.

2. The manager is expected to earn the highest possible rate of return consistent with the risk tolerance of the Board of Trustees.

II. Common Stock Guidelines

1. The following instruments are the only investment vehicles in which the manager shall be permitted to invest:

   a. Cash should not exceed 5% of the equity portfolio.

   b. Equity securities shall mean mutual funds managed by an investment company, as defined and registered under the Federal Investment Company Act of 1940, and are registered under the Illinois Securities Law of 1953, have been in operation for at least 5 years, have total assets of at least $250 million. Exchange traded funds (ETF's) which do not employ leverage or inverse techniques are also permitted.

   c. Invest in a diversified portfolio of common or preferred stocks, which are geographically diversified in a number of regions including the Americas (U.S. and Canada), Greater Europe and Greater Asia. Said fund shall not have more than a 15% exposure in the United States and Canada.

   d. The manager is expected to prudently diversify the portfolio across industry and economic sectors.

   e. Generally, the equity portfolio shall display an overall level of risk, which is consistent with the level of risk associated with the MSCI EAFE Index. Risk will be measured by the annualized standard deviation of monthly returns.

III. Performance

1. Manager performance shall be measured using a three-year moving average and shall:

   a. Meet or exceed, net of fees, the returns of an unmanaged market index comprised of the MSCI EAFE equity Index.

   b. Achieve a total rate of return, gross of fees, of the top 33% of a peer group of active international fund managers. Returns shall be evaluated in conjunction with the risk taken by the investment manager relative to the risk of the MSCI EAFE Index. Risk will be measured by the annualized standard deviation of monthly returns. These criteria shall be evaluated over longer market cycles of 3, 5, 7 and 10 years.

c. Performance will be reviewed for the most current quarter, calendar year-to-date, trailing one, three and five years and since inception.

I have received the Statement of Investment Policy, Objectives and Guidelines, and the Equity Guidelines of the Buffalo Grove Police Pension Fund this 14 day of July 20 17 and agree to comply with the provisions of this statement.

David J Wall Investment Professional

Signature

DAVID J. WALL-PRINCIPAL

Printed Name and Title

BUFFALO GROVE POLICE PENSION FUND
REIT Mutual Fund Guidelines
July 2017

I. Investment Philosophy

1. The manager is expected to manage assets in a style similar to the one utilized over the past three years. Any significant deviation from the managers stated style would require written approval from the Board of Trustees.

2. The manager is expected to earn the highest possible rate of return consistent with the risk tolerance of the Board of Trustees.

II. Common Stock Guidelines

1. The following instruments are the only investment vehicles in which the manager shall be permitted to invest:

    a. Cash should not exceed 5% of the equity portfolio.

    b. Equity securities shall mean mutual funds managed by an investment company, as defined and registered under the Federal Investment Company Act of 1940, and are registered under the Illinois Securities Law of 1953, have been in operation for at least 5 years, have total assets of at least $250 million, or collective trusts (commingled or pooled trusts) administered and operated by a bank, subsidiaries of banks, or subsidiaries of bank holding companies, which invest in a diversified portfolio of U.S. publically traded Real Estate Investment Trusts. 75% of the company's total revenue must be derived from the ownership and operation of real estate assets to be considered an eligible REIT. Exchange traded funds (ETF's) which do not employ leverage or inverse techniques are also permitted.

    c. The manager is expected to prudently diversify the portfolio across industry and economic sectors. It is expected that at least 75% of the major real estate sectors in the Dow Jones US REIT Index will be represented in the portfolio.

    d. Generally, the equity portfolio shall display an overall level of risk, which is consistent with the level of risk associated with the Dow Jones US REIT Index. Risk will be measured by the annualized standard deviation of monthly returns.

III. Performance

1. Manager performance shall be measured using a three-year moving average and shall:

    a. Meet or exceed, net of fees, the returns of an unmanaged market index comprised of the Dow Jones US REIT equity Index.

    b. Achieve a total rate of return, gross of fees, of the top 35% of a peer group of active REIT managers. Returns shall be evaluated in conjunction with the risk taken by the investment manager relative to the risk of the Dow Jones US REIT Index. Risk will be measured by the annualized standard deviation of monthly returns. These criteria shall be evaluated over longer market cycles of 3, 5, 7 and 10 years.

c. Performance will be reviewed for three months, calendar year-to-date, one, three and five years and since inception.

I have received the Statement of Investment Policy, Objectives and Guidelines, and the Equity Guidelines of the Buffalo Grove Police Pension Fund this 14 day of July 20 17 and agree to comply with the provisions of this statement.

David J Whtell Investment Professional

Signature

DAVID J. WALL - PRINCIPAL

Printed Name and Title