STATEMENT OF INVESTMENT POLICY

CITY OF FORT LAUDERDALE
GENERAL EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF INVESTMENT POLICY

Table of Contents

		Page
I.	SCOPE OF THE POLICY	3
II.	INVESTMENT OBJECTIVES	3
III.	PERFORMANCE MEASUREMENT	3
IV.	INVESTMENT AND FIDUCIARY STANDARDS	5
V.	INVESTMENT CONSULTANT	6
VI.	AUTHORIZED INVESTMENTS	6
VII.	MATURITY AND LIQUIDITY REQUIREMENTS	7
VIII.	PORTFOLIO COMPOSITION	8
IX.	RISK AND DIVERSIFICATION	9
X.	EXPECTED ANNUAL RATE OF RETURN	9
XI.	THIRD PARTY CUSTODIAL AGREEMENTS	9
XII.	BID REQUIREMENTS	9
XIII.	INTERNAL CONTROLS	10
XIV.	CONTINUING EDUCATION	10
XV.	REPORTING	10
XVI.	PROCUREMENT OF CONTRACTUAL SERVICES	10
XVII.	FILING OF INVESTMENT POLICY	11
XVIII.	VALUATION OF ILLIQUID INVESTMENTS	11

CITY OF FORT LAUDERDALE GENERAL EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF INVESTMENT POLICY

I. SCOPE OF THE POLICY:

A. The Board of Trustees (Board) of the General Employees' Retirement System (Plan) has adopted these guidelines for the Investment of the Plan's assets to be administered in accordance with applicable Florida State Statutes and City Ordinances. To that end, this Policy is intended to set forth the procedures of investment objectives and parameters for the management of those assets in a manner designed to fulfill the requirements of the Board's fiduciary responsibilities. In performing its investment duties the board shall comply with the fiduciary standards set forth in sections 112.661, 112.662 and 112.656, Florida Statutes, and the Employee Retirement Income Security Act of 1974 at 29 U.S.C. s. 1104(a)(1)(A)-(C)(ERISA).

B. The Board recognizes their responsibility for the investment of the Plan's assets. To discharge this function, the Board is authorized by law to retain the services of Investment Managers who possess the necessary skilled personnel and facilities to provide the expertise with respect to the investment of Plan funds entrusted to them.

C. This Policy will be reviewed no less frequently than annually by the Board and will be revised from time to time according to the Board's investment philosophy.

II. INVESTMENT OBJECTIVES:

A. The objective of this policy is to provide guidelines for investing the assets of the fund, either directly or through investment managers, in order to provide ongoing pension benefits to Plan members and their beneficiaries.

B. The objective is to maximize the fund' total rate of return through capital appreciation and income while limiting the amount of risk exposure to the fund. The methodology to determine the Plan's risk/return characteristics is through a diversification of investments across various asset classes detailed in Section V.

C. An additional objective is to keep losses at a minimum due to erosion of market value or from security defaults. To that end, investment managers will trade securities from time to time to improve yield, maturity, quality, credit risk, and total return potential.

D. The financial objective is to achieve the actuarial assumed rate of return over a market cycle along with an annualized total return that exceeds the rate of inflation measured by the Consumer Price Index (CPI).

III. PERFORMANCE MEASUREMENT:

A. The Board shall adopt Measures of Investment Performance of the Plan's assets to be evaluated on a quarterly basis. The Board shall retain the services of an independent Investment Consultant to assist in monitoring the investment performance of the individual Investment Managers. Such performance is measured currently and historically to determine:

1. If the Manager has performed according to these Policy guidelines.

2. If the Manager has performed in the style or investment philosophy for which that firm was hired.

3. How the Manager has performed in relation to the Measures of Investment Performance for their asset class.

4. How the Total Fund and each Manager has performed in relation to the returns generated by similarly managed funds.

B. The Measures of Investment Performance of investment returns on the various asset categories are as follows:

1. The Plan's total fund will be compared to the CPI as an inflationary measure and the actuarial interest assumption as described in Section IX.

2. The Plan's fixed income portfolio will be compared to the Bloomberg/Barclays Intermediate Aggregate Bond Index.

3. The Plan's domestic equity asset classes will be compared to one of the following Indexes:

Standard and Poor's 500 Index
Russell 1000 Core, Growth or Value
Russell 2000 Core, Growth or Value
Russell Midcap Core, Growth or Value
Russell 2500 Core, Growth or Value

4. The Plan's international portfolio will be compared to the MSCI Europe, Australasia, & Far East (EAFE) Index (Core, Growth or Value).

5. The Plan's equity real estate portfolio will be compared to the National Council of Real Estate Fiduciaries (NCREIF) ODCE Index.

7. The Plan's timber portfolio will be compared to the National Council of Real Estate Fiduciaries (NCREIF) Timberland Index.

8. The Plan's private equity holdings will be compared to the Cambridge Private Equity Index.

9. The Plan's farmland holdings will be compared to the NCREIF Farmland Property Index

IV. INVESTMENT AND FIDUCIARY STANDARDS:

A. Plan assets will be invested in a manner consistent with the standards set forth in:

1. The Employee Retirement Income Security Act of 1974 at 29 U.S.C. s. 1104(a)(1)(A)-(C).

2. Chapter 112 and Chapter 518, Florida Statutes.

3. Section 20, City of Fort Lauderdale Ordinances.

4. Except as provided in section 112.662, Florida Statutes, in the event of conflict, within these provisions or any other provisions of law authorizing investments, the investment and fiduciary standards set forth in Chapter 112.661(4) and item 1 above shall control.

B. The Board will adhere to the standard of the Prudent Investor standard within the context of the overall management of the Plan's investment program. The Prudent Investor standard is governed by Florida Title XXXIII 518.11

C. Pursuant to section 112.656, Florida Statutes, the Board, and all other named fiduciaries shall discharge their duties with respect to the Plan solely in the interest of the participants and beneficiaries for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the Plan. All investment decisions made with respect to Plan assets must comply with section 112.662, Florida Statutes.

D. Notwithstanding any other law, ordinance, or policy applicable to the Plan, only "pecuniary factors" may be considered when deciding whether to invest and when investing the assets of the Plan, and the interests of the participants and beneficiaries of the Plan 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.

E. Notwithstanding any other law, ordinance or policy applicable to the Plan, only pecuniary factors may be considered when deciding whether to exercise shareholder rights or when exercising such rights, including the voting of proxies, and the interests of participants and beneficiaries of the Plan may not be subordinated to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any nonpecuniary factor.

F. The term "pecuniary factor" means a factor that the Plan administrator, named fiduciaries, or the Board of Trustees 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 Plan. The term "pecuniary factor" does not include the consideration of the furtherance of any social, political, or ideological interests

G. Any person or firm retained concerning the investment, monitoring, or advisement of the Plan's assets will be held to the higher standard of Prudent Expert. Such person or firm will discharge their responsibilities in accordance with sections 112.661, 112.662 and 112.656, Florida Statutes, and exercise the judgment, care, skill, prudence, and diligence under the circumstances then prevailing, which persons of prudence, discretion, and intelligence, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims.

V. INVESTMENT CONSULTANT:

The Board will engage an Investment Consultant to guide the Board on all investment matters. The Investment Consultant will be a fiduciary on all advice.

The Investment Consultant will be required to satisfy the following guidelines:

- SEC registered in good standing,
- Independent from all activities engaged by the System (not affiliated with any broker/dealer, investment manager, bank, actuary, or other consultant used by the System).
- Under no circumstances will the Investment Consultant receive any compensation, fees, or commission from any investment manager, broker/dealer, or other entity engaged with the System.
- The Investment Consultant will not recommend any products branded with the Investment Consultant's firm.

The Investment Consultant's responsibilities shall be:

- Providing performance reports on at least a quarterly basis
- Providing economic summaries and analysis
- Conducting investment manager searches, as well as any other investment-related professional service searches as the Board requests
- Providing asset allocation reports
- Conducting reviews of the IPS
- Any other projects relevant to investing at the request of the Board or staff

VI. AUTHORIZED INVESTMENTS:

A. Funds placed with Investment Managers are to be invested only in those authorized classes of investment as contained in this Policy. Investments should be made subject to the Plan's cash flow needs and such cash flows are subject to revision due to changes in the Plan's needs and market conditions.

B. The authorized classes of investments for the Plan are as follows:

1. Bonds, securities, and certificates of indebtedness of the United States government.

2. Obligations guaranteed as to principal and interest by the United States government.

3. Obligations guaranteed as to principal and interest by government-sponsored agencies of the United States government.

4. The Florida Local Government Surplus Funds Trust Fund (SBA).

5. Commercial Paper rated A-1 or P-1 by a nationally recognized rating service. If the Commercial Paper is backed by a Letter of Credit (LOC), the long-term debt of the LOC provider must be rated A or better by at least two nationally recognized rating services.

6. Bankers Acceptances of United States banks or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System, rated A-1 or P-1 by a nationally recognized rating service or Certificates of Deposit at said bank.

7. Corporate bonds or notes, registered or unregistered under Rule 144A, issued by firms organized and operating within the United States or by depository institutions licensed by the United States rated A by a nationally recognized rating service at the time of purchase. Rule 144A bonds or notes must include rights of registration. Any bond or note that falls below investment quality must be eliminated expeditiously unless the Board is notified for the reason or rational to be held.

8. General Obligation and/or Revenue Bonds of state or local government taxable or tax-exempt debt rated A, for long term debt, by a nationally recognized rating service or rated MIG-2 or SP-2, for short term debt, by a nationally recognized rating service.

9. Intergovernmental investment pools authorized pursuant to the Florida Interlocal Cooperation Act provided in Section 163.01, Florida Statutes.

10. Common and preferred stocks from domestic and foreign corporations including American Depository Receipts (ADRs).

11. Commingled (including exchange traded funds (ETFs) and exchange traded notes (ETNs)) stock, bond or money market funds.

12. Timber, real estate, real estate securities, private equity, and farmland in accordance with the standards set forth in Fla. Stat. Sec. 112.661 (17), as same may be amended from time to time and Fla. Stat. Sec. 215.47 (6), as same may be amended from time to time.

C. Investment Managers are encouraged to transact securities trades through the Plan's Commission Recapture Broker subject to the professional judgment of the Manager regarding best execution and commission costs.

VII. MATURITY AND LIQUIDATION REQUIREMENTS:

A. The maximum maturity of bond and bond like investments purchased on behalf of the Plan will be as follows:

1. The overall weighted average duration of principal return for the total fund will be less than 140% of the Bloomberg/Barclays Intermediate Aggregate Bond Index.

B. The Plan Administrator will ensure that sufficient liquidity will be maintained to service the pension payroll and administrative expenses of the Plan

C. The Board recognizes that the trust document or prospectus of commingled funds or mutual funds contain additional restrictions on those investments.

VIII. PORTFOLIO COMPOSITION:

The Board has adopted the following long-term target asset mix for the Fund in the following table. The Growth and Value guidelines for Domestic Equity act as guidelines for exposure to those two styles. Core investment strategies are allowed in the Domestic Equity portfolio as well, with the understanding that they provide exposure to both Growth and Value simultaneously.

Asset Class	Sub-Categories	Target Allocation%	Minimum%	Maximum%
Equities	Domestic Growth Style (Large, Mid & Small Cap)	26	15	31
	Domestic Value Style (Large, Mid & Small Cap)	26	15	31
	International	15	12	18
	Total Equities	**67**	**62**	**72**
Fixed Income	**Total Fixed Income**	**12**	**10**	**20**
Alternative Investments	Real Estate*	15	7	21
	Private Equity	6	0	9
	Total Alternative Investments	**21**	**7**	**30**
Cash	**Total Cash**	**0**	**0**	**5**
		100%		

*Real Estate Funds, Timber Funds, Farmland, Direct Real Estate purchases and/or Real Estate Securities. If the Board considers the direct purchase of real estate, it shall engage a Qualified Professional Asset Manager (QPAM) prior to any such purchase.

A. The Board reserves the option to add additional asset classes within the portfolio from time to time.

B. When the Plan's investments either exceed the applicable limit or do not satisfy the applicable investment standard, such excess or investment not in compliance with the policy may be continued until such time as it is economically feasible to dispose of such investment. However, no additional investment may be made in the investment category which exceeds the applicable limit, unless authorized by law or ordinance.

IX. RISK AND DIVERSIFICATION:

A. The Board has adopted a strategy, described in Section VII, whereby the Plan's asset portfolio will be diversified to the extent practicable to control the risk of loss which might result from an over-concentration of investments in a specific security, maturity, issuer, dealer, or bank through which financial instruments are bought or sold.

B. The following reporting requirements are imposed upon separate accounts for active equity and active fixed-income managers, unless otherwise agreed in writing between the Board and managing firm:

1. If the managing firm has invested in the System's portfolio a position that also:
   a. Across all the managing firm's portfolios for all clients totals more than 5% of the outstanding common shares of any company or
   b. Across all the managing firm's portfolios for all clients totals more than 5% of the outstanding debt issuance of any one company or organization
   c. Then they shall report such an occurrence to the System within 30 days of occurrence, and they shall report to System, on no less frequently than a quarterly basis, all positions satisfying above criteria.
2. No more than 10% of a bond manager's portfolio for GERS may be invested in the debt of any single entity except for the debt of the United States government or its agencies.

C. It is the Board's intent to limit the risk exposure to any one management firm and/or commingled fund. While the allocation to a single organization should not exceed 20% of assets, the allocation to a single commingled fund, including index funds, should not exceed 5%. The Board reserves the right to permit exceptions to this guidance on a case by case basis.

X. EXPECTED ANNUAL RATE OF RETURN:

The Board has established the Plan's expected rate of investment return at 6.75%, net of investment related expenses, along with an additional annualized return that exceeds the rate of inflation measured by the CPI.

XI. THIRD-PARTY CUSTODIAL AGREEMENTS:

All securities will be held with the Custodial Bank (Bank) under a contractual agreement with the Board. All securities, purchased by and all collateral obtained by the Investment Managers and/or the Board are designated as assets of the Plan. No withdrawal of securities, or transfer of funds, in whole or in part, can be made from safekeeping except by authorization of the Board and written execution by any one of the following: the Board Chairperson, Vice-Chairperson, or the Plan Administrator. Securities transactions between a broker-dealer and the Bank involving purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis, if applicable, to ensure that the Bank will have the security or money, as appropriate, in hand at the conclusion of the transaction.

XII. BID REQUIREMENTS:

Each Investment Manager shall obtain competitive bids and offers on investment transactions to the fullest extent possible. Periodic reports will be made to the Plan Administrator of investment firms conducting Plan business with the Fund's Investment Managers reflecting purchases, sales, or other activity.

XIII. INTERNAL CONTROLS:

The Plan Administrator will develop and maintain internal controls, measures and best practices sufficient to ensure the prevention of unauthorized transactions, internal and external fraud or errors in order to safeguard the assets of the Plan. These policies and procedures are outlined in great detail within the Controls & Procedures Guidelines. Financial reporting and activity will be monitored on a monthly basis by the Board and Senior Accountant and also periodically by the Investment Consultant, Actuary and Auditor.

XIV. CONTINUING EDUCATION:

Members of the Board and the Plan Administrator have the responsibility for continuing education programs in matters relating to Plan investments and Board responsibilities through the reading of appropriate materials and by attending appropriate local and national conferences and seminars from time to time as authorized and reimbursed for by the Board.

XV. REPORTING:

The Board will annually make available information regarding the Plan's investment portfolio, book and market value, and income earned, to the City's Finance Department for inclusion in the City's Comprehensive Annual Financial Report (CAFR).

XVI PROCUREMENT OF CONTRACTUAL SERVICES

A. When contracting for any services, including but not limited to financial or investment services, no vendor may be asked for documentation of the vendor's social, political, or ideological interests, and such interests may not be considered when determining if the vendor is a responsible vendor. Preference may not be given to a vendor based on the vendor's social, political, or ideological interests. Any solicitation by the Plan, or by the City on behalf of the Plan, for the procurement of commodities or contractual services must include a provision notifying vendors of the provisions of section 287.05701, Florida Statutes.

B. Any contract executed, amended, or renewed on or after July 1, 2023, between the Plan and an investment manager shall require that any written communication by the investment manager to a company in which the manager invests Fund assets include the following disclaimer in a conspicuous location, if such communication discusses social, political, or ideological interests; subordinates the interests of the company's shareholders to the interest of another entity; or advocates for the interest of an entity other than the company's shareholders:

> The views and opinions expressed in this communication are those of the sender and do not reflect the views and opinions of the people of the State of Florida.

Such contract shall also contain a provision providing for unilateral termination of the contract by the Board of Trustees in the event the investment manager fails to include the above disclaimer language.

C. No company or other entity may submit a proposal for, bid on, enter into, or renew any contract with the Plan of $100,000 or more if, at the time, the company or other entity is on the "Scrutinized Companies or Other Entities that Boycott Israel List," created pursuant to section 215.475, Florida Statutes, or is engaged in a boycott of Isreal.

D. No company or other entity may submit a proposal for, bid on, enter into, or renew any contract with the Plan of one million dollars or more if, at the time, the company is on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in Iran Terrorism Sectors List, created pursuant to s. 215.473; or is engaged in business operations in Cuba or Syria.

E. Any contract entered into on or after July 1, 2025, of any amount, must contain a provision that allows for the termination of such contract at the option of the Plan if the company or other entity is found to have been placed on the Scrutinized Companies or Other Entities that Boycott Israel List, or is engaged in a boycott of Israel.

XVII. FILING OF INVESTMENT POLICY:

A. The Board will promptly file this Policy with the State of Florida's Department of Management Services, the City of Fort Lauderdale, and the Plan's Actuary upon adoption.

B. The effective date of this Policy will be the 31st calendar day following the date filed with the City of Fort Lauderdale.

XVIII. VALUATION OF ILLIQUID INVESTMENTS:

All illiquid investments for which a generally recognized market is not available or for which there is no consistent or generally recognized pricing mechanism will be given an annual valuation by the Plan's Auditor. For each actuarial valuation, the Board must verify the determination of fair market value for those investments and ascertain that their determination complies with all applicable state and federal requirements. The Board will disclose each illiquid investment to the State of Florida's Department of Management Services and the City of Fort Lauderdale.

APPROVED AND ADOPTED BY THE

GENERAL EMPLOYEE'S RETIREMENT SYSTEM BOARD OF TRUSTEES ON: November 11, 2025

Addendum – The Prudent Investor Standard Florida Title XXXIII 518.11

INVESTMENT OF FIDUCIARY FUNDS

518.11 Investments by fiduciaries; prudent investor rule.—
(1) A fiduciary has a duty to invest and manage investment assets as follows:
(a) The fiduciary has a duty to invest and manage investment assets as a prudent investor would considering the purposes, terms, distribution requirements, and other circumstances of the trust. This standard requires the exercise of reasonable care and caution and is to be applied to investments not in isolation, but in the context of the investment portfolio as a whole and as a part of an overall investment strategy that should incorporate risk and return objectives reasonably suitable to the trust, guardianship, or probate estate. If the fiduciary has special skills, or is named fiduciary on the basis of representations of special skills or expertise, the fiduciary is under a duty to use those skills.
(b) No specific investment or course of action is, taken alone, prudent or imprudent. The fiduciary may invest in every kind of property and type of investment, subject to this section. The fiduciary's investment decisions and actions are to be judged in terms of the fiduciary's reasonable business judgment regarding the anticipated effect on the investment portfolio as a whole under the facts and circumstances prevailing at the time of the decision or action. The prudent investor rule is a test of conduct and not of resulting performance.
(c) The fiduciary has a duty to diversify the investments unless, under the circumstances, the fiduciary believes reasonably it is in the interests of the beneficiaries and furthers the purposes of the trust, guardianship, or estate not to diversify.
(d) The fiduciary has a duty, within a reasonable time after acceptance of the trust, estate, or guardianship, to review the investment portfolio and to make and implement decisions concerning the retention and disposition of original preexisting investments in order to conform to the provisions of this section. The fiduciary's decision to retain or dispose of an asset may be influenced properly by the asset's special relationship or value to the purposes of the trust, estate, or guardianship, or to some or all of the beneficiaries, consistent with the trustee's duty of impartiality, or to the ward.
(e) The fiduciary has a duty to pursue an investment strategy that considers both the reasonable production of income and safety of capital, consistent with the fiduciary's duty of impartiality and the purposes of the trust, estate, or guardianship. Whether investments are underproductive or overproductive of income shall be judged by the portfolio as a whole and not as to any particular asset.
(f) The circumstances that the fiduciary may consider in making investment decisions include, without limitation, the general economic conditions, the possible effect of inflation, the expected tax consequences of investment decisions or strategies, the role each investment or course of action plays within the overall portfolio, the expected total return, including both income yield and appreciation of capital, and the duty to incur only reasonable and appropriate costs. The fiduciary may, but need not, consider related trusts, estates, and guardianships, and the income available from other sources to, and the assets of, beneficiaries when making investment decisions.
(2) The provisions of this section may be expanded, restricted, eliminated, or otherwise altered by express provisions of the governing instrument, whether the instrument was executed before or after the effective date of this section. An express provision need not refer specifically to this statute. The fiduciary is not liable to any person for the fiduciary's reasonable reliance on those express provisions.
(3) Nothing in this section abrogates or restricts the power of an appropriate court in proper cases:
(a) To direct or permit the trustee to deviate from the terms of the governing instrument; or
(b) To direct or permit the fiduciary to take, or to restrain the fiduciary from taking, any action regarding the making or retention of investments.
(4) The following terms or comparable language in the investment powers and related provisions of a governing instrument shall be construed as authorizing any investment or strategy permitted under this section: "investments permissible by law for investment of trust funds," "legal investments," "authorized investments," "using the judgment and care under the circumstances then prevailing that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital," "prudent trustee rule," "prudent person rule," and "prudent investor rule."
(5) This section applies to all existing and future fiduciary relationships subject to this section, but only as to acts or omissions occurring after October 1, 1993.