Cincinnati
Retirement System

Statement of Investment Policy

March, 2015

Definition of Terms

"System" Defined

In this Policy, the "System" refers to the pool of assets held in trust under the terms of a Trust Agreement established by the Cincinnati Retirement System, which will be used to pay qualified employee, disability, and health benefits (see Addendum C).

"Board of Trustees" Defined

In this Policy, the "Board of Trustees" refers to the named fiduciary appointed to administer the System pursuant to the Trust Agreement (see Addendum E).

"Investment Professionals" Defined

In this Policy, the "Investment Professionals" refers to investment managers, the cash equitization manager, the investment consultant(s), the custodian, the securities lending provider, commission re-capturing agent(s), and third party proxy voting service provider.

"Investment Manager" Defined

In this Policy, the "Investment Manager" refers to any firm, fund, or individual that analyzes, selects, and executes the purchase or sale of individual securities. The investment manager may manage the assets of the System in separate accounts held by a third party custodian, a commingled fund, a limited partnership, or a mutual fund.

"Investment Consultant" Defined

In this Policy, the "Investment Consultant" refers to any firm that provides investment advice and information and assists the Board of Trustees in fulfilling their fiduciary responsibilities as Trustees.

"Cash Equitization Manager" Defined

In this policy, the "Cash Equitization Manager" refers to any firm, fund, or individual that executes the purchase or sale of futures contracts in order to replicate the returns of the equity markets on the cash holdings in the equity manager portfolios.

"Custodian" Defined

In this Policy, the "Custodian" refers to any third party firm that safe-keeps the assets of the System.

"Securities Lending Provider" Defined

In this Policy, the "Securities Lending Provider" refers to any third party firm that lends the assets of the System to other parties in exchange for collateral and interest.

"Commission Re-capturing Agent" Defined

In this Policy, the "Commission Re-Capturing Agent" refers to any broker/dealer that credits or rebates in cash the System for transactions directed to its firm by the System's investment managers. The rebate represents a portion of the commissions (for equity transactions) or spreads (for fixed-income transactions) charged on the investment transaction.

"Third Party Proxy Voting Service Provider" Defined

In this Policy, the "Third Party Proxy Voting Service Provider" refers to any third party firm that votes the proxies of the stocks held by the System.

The Statement of Purpose

The System's Purpose

The System was established in 1931 as a defined benefit System and provides for both monthly pension benefits and medical benefits to qualified retirees, survivors of retirees, and disabled retirees of the City as well as retired members from closed groups (University Hospital, University of Cincinnati, and Hamilton County). The System is governed by Section 203 of the Cincinnati Municipal Code as adopted by the City of Cincinnati Council. A Board of Trustees has been established to oversee the operation of the System.

The Purpose of the Investment Policy

This investment policy is set forth by the Board of Trustees in order to:

- Define and assign the responsibilities of all involved parties.
- Establish a clear understanding of all involved parties of the investment goals and objectives of System.
- Establish the relevant investment horizon for which the System assets will be managed.
- Establish a target asset allocation and re-balancing procedures.
- Establish a methodology and criteria for hiring and firing investment professionals.
- Offer guidance and limitations to all investment managers regarding the investment of System.
- Establish a basis of evaluating investment results.

In general, the purpose of this policy is to outline a philosophy which will guide the investment management of the assets toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical. This document is intended to serve as a reference tool, an operating code, and a communications link between the Board of Trustees, its staff, and its investment professionals.

Distinction of Responsibilities

The Board of Trustees' Authority and Responsibilities

Chapter 203-65 of the Cincinnati Municipal Code assigns a Board of Trustees with the responsibility for managing the assets of the System. The Board of Trustees must discharge its duties solely in the interest of the System and the System participants. The standards of care for the System are specified in Section 203-65 of the Cincinnati Municipal Code and conform to the standards described in Section 1339.53 of the Ohio Revised Code.

The Board of Trustees will generally be responsible for the following:

1) Complying with applicable laws, regulations, and rulings.

2) Selecting all qualified investment professionals.

3) Monitoring and evaluating investment performance and compliance with this Policy.

4) Reviewing and suggesting changes, as needed, to this Policy.

5) Establishing and reviewing the appropriateness of the System's asset allocation policy.

6) Taking action according to this Policy.

The Investment Manager's Authority and Responsibilities

The Board of Trustees will hire competent, registered professional investment managers to manage the assets of the System. Investment managers have the following responsibilities:

1) Vote proxy issues on securities held, unless a third party proxy voting service provider has been retained by the System. All proxies will be voted exclusively for the best interests of the System and their participants. Managers will maintain written policies for proxy voting and keep a proper record of all proxies to which the Program is entitled. Managers will provide an annual report that including their current proxy voting policy, a summary and detailed records of all proxies voted, and a statement indicating whether proxies were voted in conformance with the manager's internal proxy voting guidelines.

2) Provide written reports to the plan sponsor and consultant on at least a quarterly basis detailing performance for the most recent period as well as the current outlook of the markets.

3) Notify the client and the investment consultant on a timely basis of any significant changes in the ownership, organizational structure, investment strategy, portfolio design, or configuration of the investment team.

4) The investment firm shall notify the client annually when, in aggregate as a firm, the organization owns more than 10% of the outstanding shares in a single stock.

5) All qualified investment managers retained by the Board of Trustees will exercise discretion within the parameters set forth in these guidelines for the portfolio(s) they manage on behalf of the System (see Addendum A).

The Investment Consultant's Authority and Responsibilities

The Board of Trustees will hire an investment consultant to assist the Board of Trustees in fulfilling their fiduciary responsibilities and in fulfilling their responsibilities in accord with this Policy. The investment consultant will generally be responsible for the following:

1) Complying with applicable laws, regulations, and rulings.

2) Maintaining databases of qualified investment managers, custodians, securities lending providers, commission recapture agents, third party proxy voting service providers, and any other pertinent professionals that may assist in oversight of assets.

3) If needed, the investment consultant will assist the Board of Trustees with the search and selection of investment managers, custodians, securities lending providers, and third party proxy voting service providers.

4) Calculate investment performance and reconcile that performance with the investment managers.

5) Providing written reports that summarize the performance and analysis of the System's investments to the Board of Trustees no later than 45 days after of the end of each calendar quarter.

6) Monitoring and evaluating investment performance and compliance with this Policy. This includes meeting with the System's investment managers on a regular basis.

7) Make long-term assumptions on the capital markets for the purpose of evaluating the System's asset allocation policy.

8) Establishing and reviewing the appropriateness of the System's asset allocation policy.

9) Reviewing and suggesting changes, as needed, to this Policy.

The investment consultant retained by the Board of Trustees will exercise discretion within the parameters set forth in these guidelines on behalf of the System (see Addendum A).

The Custodian's Authority and Responsibilities

The Board of Trustees may utilize a third party custodian for the following:

1) hold and safeguard the assets of the System,
2) collect the interest, dividends, distributions, redemptions or other amounts due,
3) provide monthly reporting to all necessary parties,
4) forward any proxies to the investment manager, the client, or their designee,

5) sweep all interest and dividend payments and any other un-invested cash into a short-term money market fund for re-deployment, and
6) other duties as detailed in the respective custodial agreement

The custodian retained by the Board of Trustees will exercise discretion within the parameters set forth in these guidelines on behalf of the System (see Addendum A).

The Cash Equitization Manager's Authority and Responsibilities

The Board of Trustees may utilize a cash equitization manager to replicate the investment returns of the equity markets on the cash held in the equity managers portfolios. The cash equitization manager will purchase and sell futures contracts whose market value is based on the returns of specific equity markets. The notional value of the futures contracts will be closely equivalent to the aggregate cash holdings of all equity managers employed by the Board of Trustees. In addition, the Board may utilize a cash equitization manager to replicate the investment returns of the overall portfolio on the cash held in the margin account and/or checking accounts. These cash holdings will be monitored on a daily basis and futures contracts will be bought or sold accordingly (see Addendum A and B).

The Securities Lending Provider's Authority and Responsibilities

The Board of Trustees may utilize a securities lending provider to create income through the lending of the assets of the System. Securities lending providers will provide reports on a monthly basis to all necessary parties. The securities lending provider will be responsible for ensuring that adequate collateral will be provided to the System for the securities that are lent and that the interest rate generated by the securities lending program is fair and reasonable. Furthermore, the securities lending provider will attempt to return all lent securities to the System's appropriate account before any transactions on the lent securities are executed. The securities lending provider retained by the Board of Trustees will exercise discretion within the parameters set forth in these guidelines on behalf of the System (see Addendum A).

The Commission Re-capturing Agent's Authority and Responsibilities

The Board of Trustees may utilize a commission re-capturing agent to create income through the direction of brokerage. The commission re-capturing agent will execute all trades on a best execution basis. Periodic reports detailing the commissions recaptured will be provided to the client and the investment consultant monthly. The commission re-capturing agent(s) retained by the Board of Trustees will exercise discretion within the parameters set forth in these guidelines on behalf of the System (see Addendum A).

The Third Party Proxy Voting Service Provider's Authority and Responsibilities

The Board of Trustees may utilize a third party proxy voting service provider to vote the proxies of the stocks held by the System in the best interest of the System. The third party proxy voting service provider retained by the Board of Trustees will exercise discretion within the parameters set forth in these guidelines on behalf of the System (see Addendum A). The service provider is required to provide annual written reports detailing the voting record specific for the System's assets.

Investment Objectives

Return Objectives

The primary return objectives of the System are to:

(a) preserve the safety of principal,
(b) earn the highest possible total return consistent with prudent levels of risk, and
(c) create a stream of investment returns to insure the systematic and adequate funding of actuarially determined benefits through contributions and professional management of the System assets.

To achieve these goals, the System has been optimized to meet its actuarial assumed rate of return (see Addendum C). The performance objective for the System is to exceed, after investment management fees, a customized blended benchmark. To evaluate success, the Board of Trustees will compare the performance of the System to the actuarial assumed rate of return and the performance of a custom benchmark. This benchmark represents a passive implementation of the historical investment policy targets and it is re-balanced regularly.

Risk Tolerance

While achieving the return objectives, the System is able to tolerate certain levels of risk, which are:

(a) to accept prudent levels of short and long-term volatility consistent with the near-term cash flow needs, funding level, and long-term liability structure of the System,
(b) to tolerate appropriate levels of downside risk relative to the System's actuarial assumed rate of return (see Addendum C). In doing so, the Board of the Trustees will attempt to minimize the probability of underperforming the System's actuarial assumed rate of return over the long-term and to minimize the shortfall in the event such underperformance occurs,
(c) to accept prudent variances in the asset allocation structure of the System relative to the broad financial markets and peer groups, and
(d) to tolerate prudent levels of short-term underperformance by the System's investment managers.

Constraints on the Investment Objectives

The investment objectives of the System are constrained by Federal law, State law, Section 203 of the Cincinnati Municipal Code, time, taxes, and liquidity. The System has a long-term time horizon as the assets are used to pay qualified participant and disability benefits. The System is a tax-exempt entity, but can be subject to taxes involving to unrelated business taxable income ("UBTI"). UBTI is income earned by a tax-exempt entity that does not result from tax-exempt activities. The liquidity needs of the System are to meet the regular cash flow requirements of the System.

Real Estate

The objective in real estate is to invest in multiple funds, primarily open-end funds, to achieve a core-plus investment strategy with a low correlation to other asset classes. Closed-end funds may be utilized on a case by case basis. Multiple funds should be utilized to promote manager diversification, property diversification, and geographic diversification. A core-plus investment strategy will attempt to achieve a 2/3rd to 1/3rd ratio between core funds and value-added funds. International real estate may be considered for a portion of the total real estate allocation, not to exceed 25%.

Private Equity

The objective in private equity is to gain access to a low correlated asset class with historical outperformance of the U.S. equity markets. A fund-of-funds approach should be the main focus of investment, although direct funds may be utilized on a case by case basis. Fund of fund products should be well diversified between venture-capital, buy-out, and special situation strategies and consider non-U.S. investments. The private equity program should strive to maintain level vintage year allocations to minimize exposure to any particular economic environment.

Long-Short Equity

The objective in long-short equity is to achieve similar returns to U.S. equity markets with approximately one-half the standard deviation, allowing exposure to the equities with protection in down markets. Fund of fund products should be the main focus, with direct investments in long-short managers considered on a case by case basis. Fund of fund products will allow an extra layer of due diligence and increase oversight on long-short managers.

Infrastructure

The objective in infrastructure is to access a unique asset class with very strong risk and return characteristics through the best available products available in the marketplace. Both open-end and closed-end funds should be considered, as well as utilizing multiple managers.

Asset Allocation and Re-Balancing Procedures

General Methods and Frequency of Evaluating the Asset Allocation

The Board of Trustees, with the assistance of the investment consultant, will review the target asset allocation of the System at least every three years. They will take into consideration applicable statutes, the actuarial rate of return of the System, the long-term nature of the asset pool, the cash flow needs of the System, and the general asset allocation structure of their peers. They will make assumptions on the capital markets over the long-term and optimize the asset allocation to best meet the actuarial and cash flow needs of the System at a prudent level of risk.

Asset Allocation/Rebalancing

In November 2014, the Board of Trustees adopted the target asset allocation indicated in the following table. The minimum and maximum allocation range for each specific asset class is also shown in the table set forth below:

Asset Class	Target	Minimum*	Maximum*
Core Bonds	14.0%	12.0%	16.0%
High Yield Bonds	3.0%	1.0%	5.0%
Total Fixed Income	17.0%	13.0%	21.0%
Large-Cap Value Equity	6.0%	4.0%	8.0%
Large-Cap Growth Equity	4.0%	2.0%	6.0%
Mid-Cap Value Equity	3.75%	2.75%	4.75%
Mid-Cap Core Equity	3.75%	2.75%	4.75%
Small-Cap Value Equity	7.5%	5.5%	9.5%
Total Domestic Equity	25.0%	20.0%	30.0%
Non-U.S. Developed Large Cap	10.0%	8.0%	14.0%
Non-U.S. Small Cap	5.0%	3.0%	7.0%
Emerging Markets All-Cap	5.0%	3.0%	7.0%
EM Small-Cap	3.0%	1.0%	5.0%
Total Non-U.S. Equity	23.0%	18.0%	28.0%
Real Estate Core Equity	5.0%	3.0%	7.0%
Real Estate Value-Added/Oppt. Eq.	2.5%	1.5%	3.5%
Total Real Estate Equity	7.5%	4.5%	10.5%
Infrastructure	5.0%	3.0%	7.0%
Total Infrastructure	5.0%	3.0%	7.0%
Multi-Strategy Hedge Fofs	5.0%	3.0%	7.0%
Long-Short Equity Hedge Fofs	5.0%	3.0%	7.0%
Total Hedge Fofs	10.0%	5.0%	15.0%

Risk Parity	5.0%	2.5%	7.5%
Total Risk Parity	5.0%	2.5%	7.5%
Private Equity	7.5%	0.0%	12.5%
Total Private Equity	7.5%	0.0%	10.0%
TOTAL	100.0%		

*May not equal 100%

The Board of Trustees, with the assistance of the investment consultant, will review the asset allocation of the System on a regular basis and adjust the portfolio to comply with the guidelines above. The Board of Trustees anticipates that the on-going natural cash flow needs of the System (contributions and withdrawals) will be sufficient to maintain the asset allocation of the System within policy guidelines under most market conditions.

Rebalancing shall occur, at least quarterly, to stay within the asset allocation ranges.

Investment Professional Selection, Communication, and Evaluation

Investment Manager Selection

No investment managers shall be hired who are a party in interest or who have not, by their record and experience, demonstrated their fiduciary responsibility, their investment expertise, their investment experience, and their capacity to undertake the mandate for which they are being considered. Investment manager candidates must be GIPS® compliant and have a track record of at least three years. (The GIPS® compliance and three-year track record requirements do not apply to managers of real estate, private equity, infrastructure, hedge funds and overlay managers.) The firm's GIPS® compliance must be audited at least every 4 years.

Investment managers are required to comply with the following:

1) Acknowledge in writing a fiduciary and investment manager relationship with respect to the System.

2) Be granted by the System the power to manage, acquire or dispose of any assets of the System pursuant to the System documents.

The System will establish investment guidelines for the investment managers and, with the assistance of the investment consultant, will conduct due diligence before the appointment of all investment managers.

Frequency of Measurement and Meetings

The Board of Trustees, with the assistance of the investment consultant, expects to measure investment performance quarterly.

Investment Manager Communication and Evaluation Terminology

The following terminology has been developed to facilitate efficient communication between the investment managers, investment consultant, and the program staff. Each term signifies a particular status with the System and any conditions that may require improvement. In each case, communication is made only after consultation with the Board of Trustees.

	STATUS	***DESCRIPTION***
A.	***"In Compliance"***	The investment manager is acting in accordance with the Investment Policy Guidelines.
B.	***"Alert"***	The investment manager is notified of a problem in performance (usually related to a benchmark or volatility measure), a change in investment characteristics, an alteration in management style or key investment professionals, and/or any other irregularities. The investment manager will be completing a monthly compliance checklist from the investment consultant to ensure thorough oversight.
C.	***"On Notice"***	The investment manager is notified of continued concern with one or more Alert issues. Failure to improve upon stated issues within a specific time frame justifies termination. The investment manager will be completing a monthly compliance checklist from the investment consultant to ensure thorough oversight.
D.	***"Termination"***	The program's management has decided to terminate the investment manager. The investment manager is notified and transition plans are in place.

Operational Guidelines

Investment Policy Guidelines for the Core Plus Bond Manager(s)

This document contains the guidelines and restrictions that apply to the core plus bond manager(s) of the Pension Fund (see Addendum A).

Permissible Investments

1. No single issuer should comprise more than 5% of the market value of the portfolio, as determined at the time of purchase. The only exception is for securities issued by the U.S. Treasury, its agencies, instrumentalities or government sponsored entities (such as FNMA and FHLMC), and G-7 sovereigns.

2. Up to 20% of the market value of the portfolio may be invested in securities rated below investment grade. If the ratings assigned to a security by Standard & Poor's, Moody's, and/or Fitch are not the same, the highest rating of these rating agencies will be used. If an issue is not rated by any of these agencies, then the manager will determine a rating. If an investment grade security already held in the portfolio is downgraded to below investment and a breach of the 20% limit occurs, prompt client notification is required concerning intent to hold the issue going forward. The minimum average portfolio quality shall be A-.

3. At least 75% of the market value of the portfolio must be invested in U.S. dollar denominated securities, counting cash and cash equivalents toward this percentage, as determined at the time of purchase. Included in this limit are U.S. dollar denominated securities issued in the U.S. by foreign domiciled issuers and traded in U.S. markets. Non-U.S. dollar denominated bonds may be held up to 25% of the portfolio.

4. Effective aggregate currency exposure is limited to a maximum of 10% of portfolio market value. This includes direct currency exposure (long and short foreign currency positions held without owning securities denominated in such currencies).

5. Local currency Emerging market debt (defined using the World Bank definition, which is based on GNP per capita) is limited to 10% of portfolio market value. Emerging Market Yankee bonds limited to 20% of portfolio market value.

6. In aggregate, investment in convertible, convertible preferred and preferred securities (including trust preferreds) may not exceed 25% of the market value of the portfolio, as determined at the time of purchase.

7. Common stock may only be held if it is acquired as a result of a financial restructuring, bankruptcy or from an exchange or conversion of a permissible security held in the portfolio. Manager will provide notification concerning the intent to hold the issue going forward.

8. The portfolio may invest up to 75% of the market value of the portfolio, as determined at the time of purchase, in securities issued pursuant to Rule 144(a), including those issued with and without registration rights.

9. Eligible derivatives include contracts to buy or sell futures on securities, indices, interest rates and currencies ("Futures"); structured notes; forward contracts for securities, indices, interest rates and currencies; credit default swaps (long and short) and swap contracts on indices, interest rates and currencies ("Swaps"); put and call options on securities, indices, interest rates, Futures, Swaps, and currencies ("Options"), foreign currency exchange contracts, and senior loans. Futures cannot be used to create economic leverage. Additionally, there is a 50% gross notional limit on futures.

10. Put and call options on exchange-traded options on Treasury Futures may be written if they are fully covered. Call options are considered covered if the manager owns an amount equal to the exercise cost in high-quality fixed income securities (A- rated or higher) with maturities that are comparable to the maturities in the deliverable basket for the Treasury futures contract. Put options are considered covered if cash equivalent assets in an amount equal to the exercise cost are maintained in the account. Managers may purchase back options on exchange-traded Treasury future contracts in order to close out positions. The aggregate value of each manager's option positions shall not exceed 25% on an absolute basis of the account's market value.

11. The average effective duration of the portfolio is not to vary more than +/-30% of the duration of the portfolio's benchmark index.

12. The manager may hold up to 15% of its portfolio in cash and cash equivalents. The only exception to this rule is during trading activity associated with the initial start-up phase of the portfolio. The portfolio should be fully-invested and construction completed within 60 days of the start date. The manager is not responsible for investments made pursuant to any cash sweep arrangement with the custodian.

13. If any of the parameters described above are breached as a result of market movements, capital additions, or withdrawals, the manager shall have a reasonable period, not to exceed sixty (60) days, to bring the portfolio into compliance with the applicable investment guidelines. The manager must receive written permission to permit such a breach to continue past this 60-day window.

14. Eligible investments include public or private debt obligations issues or guaranteed by U.S. or foreign issuers, including but not limited to corporations, governments (including their agencies, instrumentalities and sponsored entities, partnerships and trusts (such obligations may be issued at fixed, variable, adjustable or zero coupon rates or convertible into equity securities); private debt obligations are limited to those issued pursuant to regulations S and Rule 144A; preferred, hybrid, mortgage-backed, commercial mortgage-backed or asset-backed securities issues by any of the above-names entities; senior loans; interests specified

under "Eligible Commingled Investments"; derivatives specified under "Eligible Derivatives" and cash equivalents specified under "Eligible Cash Equivalents."

Investment Objective

Over reasonable measurement periods (3 to 5 years), the portfolio's return net of fees should exceed the return of the appropriate benchmark index (see Addendum A).

Investment Policy Guidelines for the Separately-Managed, U.S. Equity Manager(s)

This document contains the guidelines and restrictions that apply to the separately-managed equity manager(s) of the System (see Addendum A).

Permissible Investments

1. The manager may hold up to 5% of its portfolio in a money market and/or cash. The only exception to this rule is during trading activity, which can only be maintained for very short time periods, i.e. less than 30 days.

2. Options, financial futures, private placements, restricted stock, issues related to the investment manager, or venture capital may not be purchased. The purchase of securities on margin and short selling is prohibited.

3. No investments should be made in securities not traded on an U.S. exchange or traded in U.S. dollars.

4. The combined holdings of preferred stocks and convertible bonds shall not exceed 5% of the portfolio.

5. No single security in the manager's portfolio, including Exchange Traded Funds, will comprise more than 10% of the portfolio at market.

6. Investments in Rule 144a securities are permitted if the securities have registration rights requiring the issuer to swap the securities for fully registered publicly traded bonds and if the investment is otherwise consistent with the above guidelines. The combined holdings of these investments may not exceed 10% of the portfolio's overall asset allocation.

7. At no point in time should the aggregate position (within each equity manager's portfolio in the System) in any company exceed 5% of the fair market value of the outstanding stock in the company.

Investment Objective

Over reasonable measurement periods (3 to 5 years), the portfolio's return net of fees should exceed the return of the appropriate benchmark index (see Addendum A).

Investment Policy Guidelines for the Separately-Managed, Non-U.S. Equity Manager(s)

This document contains the guidelines and restrictions that apply to the separately-managed non-U.S. equity manager(s) of the System (see Addendum A).

Permissible Investments

1. The manager may hold up to 5% of its portfolio in a money market and/or cash. The only exception to this rule is during trading activity, which can only be maintained for very short time periods, i.e. less than 30 days.

2. Options, financial futures, private placements, restricted stock, issues related to the investment manager, or venture capital may not be purchased. The purchase of securities on margin and short selling is prohibited.

3. The maximum investment in stocks trading on any U.S. exchange or traded in U.S. dollars, excluding ADRs, is 10% of the portfolio at market.

4. The combined holdings of preferred stocks and convertible bonds shall not exceed 5% of the portfolio.

5. No single security in the manager's portfolio, including Exchange Traded Funds, will comprise more than 10% of the portfolio at market.

6. Investments in Rule 144a securities are permitted if the securities trade on a recognized exchange; are fully fungible with securities traded on a recognized exchange; or will be, when seasoned, fully fungible with securities traded on a recognized exchange, provided that the investment is otherwise consistent with the other guidelines. The combined holdings of these investments may not exceed 10% of the portfolio's overall asset allocation.

7. At no point in time should the aggregate position (within each equity manager's portfolio in the System) in any company exceed 1.5% of the fair market value of the outstanding stock in the company.

8. Currency hedging for defensive purposes will be permitted. Forward currency contracts may be used to hedge currencies. This includes hedging back into the base currency. Cross currency hedging is permitted.

9. The combined holdings of non-EAFE countries, excluding Canada, stocks and convertible bonds shall not exceed 30% of the portfolio at market.

10. The combined holdings of Canada stocks and convertible bonds shall not exceed 15% of the portfolio at market.

Investment Objective

Over reasonable measurement periods (3 to 5 years), the portfolio's return net of fees should exceed the return of the appropriate benchmark index (see Addendum A).

Investment Policy Guidelines for Limited Partnership, Commingled Fund, and Mutual Fund Manager(s)

This document contains the guidelines and restrictions that apply to the non-U.S. small-cap, emerging markets, real estate, private equity, long-short equity, and infrastructure manager(s) of the System (see Addendum A).

Permissible Investments

1. These funds are governed by the guidelines and restrictions contained in any of the following applicable documents: prospectus', subscription agreements, limited partnership agreements, and confidential information memorandums.

Investment Objective

Over reasonable measurement periods (3 to 5 years), the portfolio's return net of fees should exceed the return of the appropriate benchmark index (see Addendum A).

Investment Policy Guidelines for the Cash Equitization Manager

This document contains the guidelines and restrictions that apply to the cash equitization manager of the System (see Addendum A).

Permissible Investments

1. The cash equitization program is governed by Addendum B.

Investment Objective

The cash equitization program should maintain a futures program for unallocated cash and cash reserves in accordance with the guidelines set forth in Addendum B.

Investment Policy Modification and Revision

Policy Modification

The Board of Trustees, with the assistance of the investment consultant, will review this Policy annually. Key environmental or operational occurrences, which could result in a Policy modification, include:

(1) significant changes in expected patterns of the System's liability stream,
(2) impractical time horizons or changes,
(3) change in the System's priorities,
(4) convincing arguments for change presented by investment professionals,
(5) legislation, and
(6) areas found to be important, but not covered by the Policy.

Modification of Addendums

Changes to investment professionals, Trustees, or plan information contained within Addendums A-D can and should be modified, as necessary, without a complete review by all Trustees.

Addendum A –
Defining the Investment Professionals and Benchmark Indexes

Asset Class	Investment Manager	Benchmark Index
Unconstrained Bonds	Blackrock SIO	Barclays Aggregate Bond
Core Plus Bonds	Loomis	Barclays Aggregate Bond
High Yield Bonds	Shenkman	Barclays High Yield Bond
U.S. Large-Cap Value Equity	Northern Trust	Russell 1000 Value
U.S. Large-CapGrowth Equity	Northern Trust	Russell 1000 Growth
U.S. Mid-Cap Value Equity	Iridian	Russell Mid-Cap Value
U.S. Mid-Cap Core Equity	Northern Trust	Russell Mid-Cap Value
U.S. Small-Cap Value Equity	Northern Trust	Russell 2000 Value
U.S. Small-Cap Value Equity	Opus	Russell 2000 Value
U.S. Small-Cap Value Equity	WCM	Russell 2000 Value
Non-U.S. Core Equity	Harding Loevner	MSCI EAFE
Non-U.S. Core Equity	Mondrian	MSCI EAFE
Emerging Market Equity	Mondrian	MSCI Emerging Market
Non-U.S. Small-Cap	Dimensional Fund Advisors	Citi ex-U.S. < $2 Billion
Real Estate – Core	Morgan Stanley	NCREIF ODCE
Real Estate – Core	J.P. Morgan	NCREIF ODCE
Real Estate – Value Added	Prudential	NCREIF ODCE
Real Estate – Value Added	Principal	NCREIF ODCE
Real Estate – Non U.S.	Mesirow/Courtland	NCREIF ODCE
Private Equity Fund of Funds	Fort Washington	Cambridge All PE
Private Equity Fund of Funds	North Sky	Cambridge All PE
Private Equity Fund of Funds	Portfolio Advisors	Cambridge All PE
Infrastructure	Macquarie	LIBOR + 4%
Infrastructure	Alinda	LIBOR + 4%
Multi-Strategy Hedge Fofs	Fintan	LIBOR + 4%
Long-Short Equity	ABS	80% MSCI ACWI
Risk Parity	AQR	60% W5000/40% Bar. Agg.

Investment Professional	Service Provider
Custodian	Bank of New York Mellon
Investment Consultant	Marquette Associates
Cash Equitization Manager	The Clifton Group
Securities Lending Provider	Bank of New York Mellon
Commission Re-capture Agent	Abel Noser
Commission Re-capture Agent	BoNY/Lynch Jones & Ryan
Commission Re-capture Agent	C.L. Glazer
Commission Re-capture Agent	Frank Russell
Commission Re-capture Agent	ConvergEx

Third Party Proxy Voting Service Provider	None

The Total Fund customized benchmark is currently 14% Barclays US Aggregate Index, 3% Barclays US High Yield Index, 6% Russell 1000 Value Index, 4% Russell 1000 Growth Index, 3.75% Russell Mid-Cap Value Index, 3.75% Russell Mid-Cap Index, 7.5% Russell 2000 Value Index, 10% MSCI EAFE Index, 5% MSCI EAFE Small-Cap Index, 5% MSCI Emerging Markets Index, 3% MSCI Emerging Markets Small-Cap Index, 5% HFRX Hedged Equity Index, 5% HFRI Diversified Fund of Funds Index, 5% 60/40 S&P 500/Barclays US Aggregate, 7.5% NCREIF ODCE Index, 5% LIBOR+4%, 7.5% Cambridge Associates All Private Equity Index.

Addendum B –
Cash Equitization Guidelines

CRS will select the assets to be overlaid by Clifton's PIOS program. Specifically, that portion shall consist of those funds designated by Client as cash reserves at its custodian as well as cash held from time to time by other investment managers for Client (the manager portfolio(s)).

The asset class allocation targets and associated benchmark indexes are as follows:

Asset Class	Target %	Benchmark Index
Domestic Equity	25.0%	S&P 500
International Equity – Dev.	15.0%	MSCI EAFE
International Equity – EM	8.0%	MSCI Emerging Markets
Fixed Income	17.0%	Barclays Aggregate
Alternative Assets	35.0%	N/A
Total	100.0%	

It is the Client's responsibility to establish and revise as necessary the asset class categories.

INVEST UNALLOCATED CASH COMPONENT OF CASH/MARGIN ACCOUNTS:

Unallocated cash will be synthetically invested as follows:

Asset Class	Target %	Benchmark Index
Domestic Equity	47.5%	S&P 500
International Equity – Dev.	15.0%	MSCI EAFE
International Equity – EM	8.0%	MSCI Emerging Markets
Fixed Income	29.5%	Barclays Aggregate

INVEST UNALLOCATED CASH COMPONENT OF EQUITY ACCOUNTS:

Unallocated cash will be synthetically invested as follows:

Asset Class	Target %	Benchmark Index
Domestic Equity	100.0%	S&P 500
International Equity	100.0%	MSCI EAFE

Addendum C –
Summary of Plan Information

Plan Name:	City of Cincinnati Retirement System
Type of Plan:	Defined Benefit
Plan Adoption Date:	1931
Plan Year-End Date:	December 31st
Assumed Actuarial Rate of Return (Net-of-fees):	7.50%

Addendum D –
Investment Professional Adoption of Policy

This Policy document was adopted by the Board of Trustees for the Cincinnati Retirement System on March 5, 2015.

Investment Professional's Acknowledgments:

The firm has received this copy of the System's Investment Policy. The firm has studied its provisions and believe that we can both abide by its restrictions and fulfill its goals and expectations over the timetables set forth in the Policy.

_____
Firm Name

_____
Investment Professional

Addendum E –
Board of Trustees Adoption of Policy

This Policy document was adopted by the Board of Trustees for the System on March 5, 2015.

Board of Trustees' Acknowledgments:

The Board of Trustees of the Cincinnati Retirement System has approved the Plan's investment policy.

Paula Tibsley

Secretary of the CRS Board of Trustees