



STATEMENT OF INVESTMENT POLICY
City and County of Broomfield
457 Deferred Compensation Plan

I. Background

City and County of Broomfield ("Plan Sponsor") maintains the following employee defined contribution plan ("Plan") on behalf of its employees:

(a) 457 Deferred Compensation Plan

The Plan is intended to provide eligible employees with a convenient way to save on a regular basis for retirement. It is intended to operate in accordance with Internal Revenue Code section 457(b). Plan participants and their beneficiaries ("Participant(s)") are responsible for directing the investment of amounts credited to their accounts from among the investment options ("Investment Alternative(s)"). If direction is not given by a Participant, the amount subject to that direction will be invested in a default fund as specified in Part VIII of this Statement.

With respect to its governance, the Plan provides for an Investment Review Committee ("Committee") for matters relating to the investment of Plan assets. The City and County of Broomfield ("Employer") is responsible for administration and operation of the Plan. The Committee is responsible for establishing and maintaining an Investment Policy Statement ("Statement") with respect to the assets held in the trust established pursuant to the Plan. The Committee discharges its responsibilities under the Plan solely in the interests of Participants.

Additionally, among the responsible parties for the management and operation of the Plan are:

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|----------------------------------|--------------------------------------|
| Plan Sponsor: | City and County of Broomfield |
| Investment Consultant: | Cook Street Consulting, Inc. |
| Recordkeeper: | ICMA-RC |
| Trustee: | ICMA-RC |
| Fund Investment Managers: | See Appendix 1 |

II. Purpose

This Statement is intended to assist the fiduciaries of the Plan in effectively supervising, monitoring, and evaluating the Investment Alternatives available to Participants. This Statement applies only to the 457 Deferred Compensation Plan, and does not apply to any other employee benefit or pension plan that may be sponsored by the Employer. Specifically, this Statement documents the decisions of the Committee with respect to the:

- (a) Plan objectives and investment structure;
- (b) the Committee's attitudes, expectations, objectives and criteria for the selection and retention of Investment Alternatives;
- (c) roles and responsibilities of the Committee, the Investment Consultant, the Investment Managers, the Trustee, and the Recordkeeper; and
- (d) identifying the default investment selected for Participants who have not directed the investment of their accounts.

III. Objectives

This Statement has been arrived at upon consideration of a wide range of policies, and describes the prudent investment process the Committee deems appropriate. This process includes offering various asset classes and investment management styles that, in total, are expected to offer Participants a sufficient level of overall diversification and total investment return over the long-term. The objectives are:

- (a) comply with all fiduciary, prudence, and due diligence requirements experienced investment professionals would utilize, and with all applicable laws, rules, and regulations that may impact Plan assets;
- (b) facilitate Participants' ability to select their own Investment Alternatives by:
 - i. providing Participants at least three Investment Alternatives that each have a different risk/return profile;
 - ii. providing Participants with sufficient information so each Participant can make an informed decision about his or her selection of Investment Alternative(s); and
 - iii. permitting Participants to change Investment Alternatives on a daily basis. Because investment contribution and asset allocation decisions shall be made solely by each Participant, the Committee shall refrain from giving what could be construed as investment advice.
- (c) have the ability to pay all benefit and expense obligations when due; and
- (d) control and account for all costs of administering and managing the Investment Alternatives.

IV. Roles and Responsibilities

1. The Employer: The Employer's responsibilities include:

- (a) administration and operation of the Plan;
- (b) approving the Plan's Investment Alternatives; and
- (c) oversight of the Committee and the Investment Consultant.

2. The Committee: The Committee's responsibilities include:

- (a) maintenance and adoption of this Statement;
- (b) prudently diversifying the Plan's assets to meet an agreed upon risk/return profile;
- (c) establishing a prudent process for selecting Investment Alternatives;

- (d) monitoring, controlling, and accounting for all investment, recordkeeping, custodial, and administrative expenses associated with the Plan;
- (e) in coordination with the Employer, monitoring and supervising the Investment Consultant and the Investment Alternatives;
- (f) making recommendations to the Employer regarding the selection of a Plan Recordkeeper and the employment of Plan professionals (including all Investment Managers and the Investment Consultant);
- (g) maintaining comprehensive written records of all decisions and decision-making processes in order to establish and demonstrate procedural prudence on the part of the Committee; and
- (h) avoiding prohibited transactions.

The Committee has also elected to retain an Investment Consultant to provide advice with respect to the selection and monitoring of Investment Managers. The Investment Consultant hereby represents and warrants that it is (and will remain during the term of its engagement) a fiduciary to the Plan as defined in Section 3(21)A of ERISA.

3. The Investment Consultant: The Committee has retained Cook Street Consulting, Inc. (“Investment Consultant”) as the consultant to the Committee. In accordance with its agreement with the Committee, the Investment Consultant has the following responsibilities:
 - (a) *Selection of Investment Alternatives.* The Investment Consultant will apply the criteria contained in Part VI of this Statement, applicable State and Federal law, the Uniform Prudent Investor Act, and such other criteria as it considers appropriate, to assist the Committee with respect to the selection of Investment Alternatives;
 - (b) *Performance Monitoring.* The Investment Consultant will monitor the performance, fees, and characteristics of the Investment Alternatives and advise the Committee as to recommended changes with respect to the Investment Alternatives. The Investment Consultant shall advise the Committee of its analysis of the Investment Alternatives on a regular basis; and
 - (c) *Changes to Investment Alternatives.* The Investment Consultant will apply the criteria contained in Part VI and Part VII of this Statement and such other criteria as the Investment Consultant considers appropriate to provide advice to the Committee as to removing, placing on watch, freezing additional investment, or other action with respect to the Investment Alternatives.
4. The Fund Investment Managers. As distinguished from responsibilities of the Committee and the Investment Consultant, fund investment managers (“Investment Manager(s)”) for each respective Investment Alternative manage the assets invested in the Investment Alternative and are fiduciaries responsible for making investment decisions (security selection and price decisions). The specific duties and responsibilities of each Investment Manager are to:
 - (a) manage the assets under their supervision in accordance with the guidelines and objectives outlined in their respective Prospectus or Trust Agreement;
 - (b) exercise full investment discretion with regards to buying, managing, and selling assets held in the portfolios; and
 - (c) where applicable, vote promptly all proxies and related actions in a manner consistent with the long-term interest and objectives of the investors in the fund. It is expected that Investment Managers keep records of the voting of proxies and related actions in compliance with all applicable regulatory obligations.
5. The Recordkeeper. The specific duties and responsibilities of the Recordkeeper are to:
 - (a) maintain Participants’ account balances in an accurate and confidential manner;
 - (b) prepare quarterly participant statements;

- (c) complete annual compliance tests as included in their service agreement;
 - (d) provide accurate and timely Plan data and reports to the Plan Sponsor, Committee, and/or Investment Consultant as included in their service agreement;
 - (e) provide Participants with electronic and/or telephone access to account information and transactions as contracted by the Plan Sponsor;
 - (f) coordinate the provision of fund prospectuses to Participants as requested; and
 - (g) provide various Participant communication and education materials as described in the service agreement and/or requested by the Committee.
6. The Trustee. The Trustee is responsible for the holding of the Plan's assets. The specific duties and responsibilities of the Trustee are to:
- (a) maintain separate accounts (where applicable);
 - (b) value the holdings;
 - (c) collect all income and dividends owed to the Plan;
 - (d) settle all transactions (buy-sell orders); and
 - (e) provide reports that detail transactions, cash flows, securities held and their current value, and change in value of each security and the overall portfolio since the previous report.

V. Asset Class Guidelines

The Committee believes long-term investment performance, in large part, is primarily a function of asset class mix. The Committee has reviewed the long-term performance characteristics of the broad asset classes, focusing on balancing the risks and rewards.

History shows that while interest-generating investments, such as bond portfolios, have the advantage of relative stability of principal value, they provide little opportunity for real long-term capital growth due to their susceptibility to inflation. On the other hand, equity investments, such as common stocks, clearly have a significantly higher expected return but have the disadvantage of much greater year-by-year variability of return. From an investment decision-making point of view, this year-by-year variability may be worth accepting, provided the time horizon for the equity portion of the portfolio is sufficiently long (generally defined as five years or greater).

The Committee has selected multiple asset classes as well as target retirement funds. A list of the Investment Managers (mutual fund or private) hired for each of the asset classes is provided in Appendix 1.

VI. Investment Alternative Selection

The Committee shall select Investment Alternatives based on relevant criteria, including, but not limited to, the following:

- (a) *minimum track record*: the Investment Alternative's inception date generally should be more than three years prior to its selection;
- (b) *assets under management*: the Investment Alternative generally should have at least \$75 million under management;
- (c) *correlation to asset class and/or peer group*: the Investment Alternative should be highly correlated to the asset class with respect to which it is designated. This is a critical part of the ongoing due diligence which requires comparisons of the Investment Alternative to the appropriate benchmark and peer group;
- (d) *performance relative to a peer group*: the Investment Alternative's performance should be evaluated against the peer group's median fund manager return, for 1-, 3- and 5-year cumulative periods;

- (e) *performance relative to assumed risk*: the Investment Alternative's risk-adjusted performance (Alpha and/or Sharpe Ratio) should be evaluated against the peer group's median fund manager's risk-adjusted performance;
- (f) *holdings consistent with style*: the Investment Alternative (other than multiple asset class options like target date funds) generally should have no more than 20% of the portfolio invested in "unrelated" asset class securities. For example, a large cap growth Investment Alternative should hold no more than 20% in cash, fixed income and/or international securities;
- (g) *expense ratios/fees*: the Investment Alternative's fees should not be in the bottom quartile (most expensive) of its peer group;
- (h) *stability of the organization*: there should be no perceived organizational problems - generally, the same portfolio management team should be in place for at least two years;
- (i) *administrative constraints*: constraints imposed by the Plan recordkeeper, provided they are not unduly restrictive, may affect the selection of the Investment Alternatives;
- (j) *multiple asset class investments*: For multiple asset class Investment Alternatives, such as target retirement funds, the asset allocation and glide path should be evaluated taking into account factors such as generally accepted investment theories and prevailing investment industry practices;
- (k) *transparency*: detailed information should be readily available on the history of the Investment Manager, its investment philosophy and approach, and its principals, locations, fee schedules, performance and other relevant information;
- (l) *duly registered*: the Investment Manager should be a bank/trust company, insurance company, investment management company or an investment adviser under the Registered Investment Advisers Act of 1940, operating in good standing with regulators and other state and federal government authorities, with no material pending legal actions that the Investment Consultant or Committee may be aware of;
- (m) *organizational evaluation*: which may include such criteria as personnel, management and investment philosophy, consistency of process, material events, reasonable fees and expenses, asset flows, etc.; and
- (n) *administrative constraints*: constraints imposed by the Plan Recordkeeper, provided they are not unduly restrictive, may affect the selection of the Investment Managers.

The Committee has selected multiple asset classes. A list of the managers (mutual fund or private) hired for each of the asset classes is provided in Appendix 1.

VII. Monitoring Procedures

Monitoring Procedures: the Committee will, on at least an annual basis, evaluate each Investment Alternative in terms of its performance compared to relevant market indices and peer groups over trailing one, three, and five-year periods. Greater weight will be given to three, and five-year performance, since longer term market cycles are more meaningful. An Investment Alternative consistently under-performing in terms of risk and return will be carefully scrutinized to determine if action is warranted.

The Committee also will consider such factors as general economic and financial market conditions and trends, overall diversification of the Investment Alternative, calendar year performance adherence of the Investment Alternative to its stated investment class and style and the stability of the Investment Alternative's organization and key personnel.

Watchlist Parameters: an Investment Alternative may, as a result of ongoing evaluations, be placed on a Watchlist as recommended by the Investment Consultant and approved by the Committee for close monitoring of future investment performance.

Watchlist status may be considered given the following criteria:

- (a) performance is below median for the Investment Alternative peer group over a one-, three- and/or five-year cumulative period;
- (b) three-year risk adjusted return (Alpha and/or Sharpe) falls below the peer group's median risk adjusted return;
- (c) change in the professionals managing the Investment Alternative;
- (d) indication the Investment Alternative is deviating from its stated style and/or strategy;
- (e) material increase in the Investment Alternative fees and expenses;
- (f) extraordinary event occurs that may interfere with the Investment Alternative's ability to fulfill its role in the future; and/or
- (g) significant turnover or change in Investment Alternative assets.

An evaluation may include the following steps:

- (a) a letter to or other form of direct contact with the Investment Manager asking for an analysis of their underperformance;
- (b) an analysis of an Investment Alternative's recent transactions, holdings and portfolio characteristics to determine the cause for underperformance or to check for a change in style; or
- (c) a meeting with the Investment Manager to gain insight into organizational changes and any changes in strategy or discipline.

The decision to retain or terminate an Investment Alternative cannot be made by a formula. It is the Committee's confidence in the Investment Alternative's ability to perform in the future that ultimately determines the retention of the Investment Alternative. No one factor will be determinative, but a review of all of these factors together will form the basis for any Committee decision.

Measuring Costs: The Committee will review periodically all costs associated with the Investment Alternatives and the Investment Consultant, including:

- (a) investment expenses: expense ratios of the Investment Alternative and Investment Consultant against the appropriate peer group;
- (b) custody fees: the holding of the assets, collection of the income and disbursement of payments; and
- (c) administrative fees: costs to recordkeep Plan investments, account settlement (Participant balance with an Investment Alternative), allocation of assets and earnings, and, when applicable, application of 12b-1 fees or other forms of revenue sharing to pay for appropriate Plan fees.

VIII. Default Investment

In the event a Participant fails to make an affirmative investment election for his or her account balance, the Participant's account balance will be placed in the target date fund whose identifying date coordinates with the Participant's retirement date.

IX. Participant Communication and Investment Education

The Plan shall provide that the Participants shall make and control their individual investment decisions. Education materials either in person or by other written or electronic means will be provided. However, the ultimate investment decision shall be made by the Participant.

X. Conflict of Interest

A member of the Committee shall disclose, to the extent the member has, or reasonably may be expected to be aware of, any relationship involving the member, the member's family or a business or work relationship, that directly or indirectly may constitute a conflict or potential conflict of interest in connection with a matter pending before the Committee, or within the scope of its authority, including:

- (a) appointing or renewing the appointment of the Investment Consultant, an Investment Manager, or other vendor providing fiduciary or other services to the Plan;
- (b) a matter involving a Plan account or a benefit under the Plan; or
- (c) the selection and continuation of an Investment Manager.

An interested member shall be recused from the Committee meeting while such matter is discussed and voted upon. He or she may not vote on the issue to which a conflict of interest relates, but may be counted in determining the presence of a quorum for purposes of the vote.

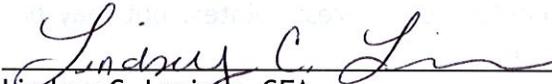
XI. Power to Amend

The Committee will review this Statement from time to time to determine whether stated investment objectives are still relevant and the continued feasibility of achieving the same. Although the Committee retains the right to amend this Statement at any time, it is not expected that the Statement will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the Statement. If any term or condition of this Statement conflicts with any term or condition in a Plan, the terms and conditions of the Plan shall control.

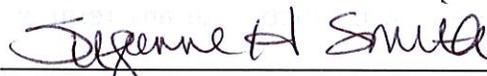
ADOPTION OF STATEMENT OF INVESTMENT POLICY

The Committee adopted this Statement by email on September 22, 2015.

Reviewed and Concurred:

 10/13/15
Lindsey C. Levison, CFA
Managing Director
Cook Street Consulting, Inc. Date

Approved:

 10/13/2015
Suzanne Smith
Director of Human Resources
City and County of Broomfield Date

Receipt of this Statement and Agreement as to its contents, by the undersigned is acknowledged.

APPENDIX 1

Investment Managers Effective July 31, 2015.

Fund Name	Ticker	Asset Class	Peer Group
Gabelli US Treasury MMkt AAA	GABXX	Money Market	Money Market
Vanguard Short-Term Bond Index Adm	VBIRX	Short-Term Bond	Short-Term Bond
Vanguard Total Bond Market Index Adm	VBTLX	Intermediate-Term Bond	Intermediate-Term Bond
Metropolitan West Total Return Bond Plan	MWTSX	Intermediate-Term Bond	Intermediate-Term Bond
Vanguard Inflation-Protected Secs Adm	VAIPX	Inflation-Protected Bond	Inflation-Protected Bond
Hotchkis & Wiley High Yield I	HWHIX	High Yield Bond	High Yield Bond
Invesco Diversified Dividend R5	DDFIX	Large Value	Large Value
Vanguard 500 Index Admiral	VFIAX	Large Blend	Large Blend
Fidelity Contrafund	FCNTX	Large Growth	Large Growth
Vanguard Extended Market Idx Adm	VEXAX	Mid-Cap Blend	Mid-Cap Blend
Goldman Sachs Small Cap Value Instl	GSSIX	Small Value	Small Value
Vanguard Explorer Adm	VEVXX	Small Growth	Small Growth
Vanguard Total Intl Stock Index Admiral	VTIAX	Foreign Large Blend	Foreign Large Blend
Artisan International Investor	ARTIX	Foreign Large Growth	Foreign Large Growth
Invesco Global Real Estate R5	IGREX	Global Real Estate	Global Real Estate
American Funds 2010 Trgt Date Retire R6	VFIAX	Target Date 2000-2010	Target Date 2000-2010
American Funds 2015 Trgt Date Retire R6	VEXAX	Target Date 2011-2015	Target Date 2011-2015
American Funds 2020 Trgt Date Retire R6	RFTTX	Target Date 2016-2020	Target Date 2016-2020
American Funds 2025 Trgt Date Retire R6	RFJTX	Target Date 2021-2025	Target Date 2021-2025
American Funds 2030 Trgt Date Retire R6	RRCTX	Target Date 2026-2030	Target Date 2026-2030
American Funds 2035 Trgt Date Retire R6	RFDTX	Target Date 2031-2035	Target Date 2031-2035
American Funds 2040 Trgt Date Retire R6	RFETX	Target Date 2036-2040	Target Date 2036-2040
American Funds 2045 Trgt Date Retire R6	RFFTX	Target Date 2041-2045	Target Date 2041-2045
American Funds 2050 Trgt Date Retire R6	RFGTX	Target Date 2046-2050	Target Date 2046-2050
American Funds 2055 Trgt Date Retire R6	RFHTX	Target Date 2051+	Target Date 2051+
American Funds 2060 Target Date Ret R6	RFITX	Target Date 2051+	Target Date 2051+