Investment Policy Statement

Prepared for: July 27, 2026

Prepared for:

CITY OF LATROBE POLICE PENSION PLAN

Executive Summary

Client Name: City of Latrobe Police Pension Plan
Client Type: Retirement Plans - Committee Directed
Fiduciary Standard of Care: ERISA
Modeled Expected Return: 6.0%

An attorney knowledgeable in this specific area should review this Investment Policy Statement of the law. Any change to this policy should be communicated in writing and on a timely basis to all interested parties. If any term or condition of this Investment Policy Statement conflicts with any trust and/or plan document, the document shall control, as long as such term or condition is consistent with the law.

Purpose

This Investment Policy Statement is intended to assist the Plan's Investment Committee in ensuring that they make investment – related decisions in a prudent manner. It outlines the underlying philosophies and processes for the selection, monitoring, and evaluation of the investments and investment advisors utilized by the Plan. Specifically, this Investment Policy Statement:

- Defines both investment and plan objectives
- Defines the roles of those responsible for the Plan's investments
- Describes the criteria and procedures for selecting investments, strategic asset allocation, and investment advisors.
- Establishes investment procedures, measurement standards and monitoring procedures.
- Describes ways to address investments and investment advisors that fail to satisfy established objectives.
- Encourages effective communication between committee and all parties involved.

This Investment policy will be reviewed at least annually, and if appropriate, can be amended to reflect changes in the capital markets or other factors relevant to the Plan.

Investment Objectives

- To achieve a reasonable total rate of return sufficient to meet the Plan's actuarial interest rate.
- To achieve a rate of return after adjusting for inflation sufficient to preserve the purchasing power of the Fund's assets.
- To maintain a prudent risk level that balances growth with the need to preserve capital commensurate with the Prudent Investor Rule.
- To diversify the investments to minimize the risk of large losses or excessive fluctuations in market value from year to year.
- To achieve long term investment results that compare favorably with similarly invested pension funds and appropriate market indices.
- To control administrative and management costs.
- To have the ability to pay all benefit and expense obligations
- To maintain sufficient funding for unexpected developments, possible future increases in benefits, reduction in expected returns on investments or interest rate assumptions
- To utilize prudent fiduciaries to make investment decisions.
- To monitor the prudent fiduciaries to ensure they performing the agreed upon tasks
- To support green activity and local business interests whenever possible.

Selection of Investment Manager/Fiduciary

- The committee will be responsible for the selection of one or more Investment Managers/Fiduciaries. The Investment Manager/Fiduciary must meet certain minimum criteria:
    1. It should be a bank or trust company or a registered investment advisor.
    2. It should be in good standing with regulators and clients, with no material pending or concluded legal actions.
    3.

Investment Manager/Fiduciary Duties

- Assist in developing the investment policy statement and asset allocation strategy.
- Provide quarterly statements.
- Rebalance the funds allocation as appropriate and in accordance with the investment policy allocation
- Manage the assets in a manner consistent with the investment policies outlined in this investment policy statement and in accordance with applicable laws.
- Promptly notify the Committee of significant changes in the investment manager's strategy, organizational structure, financial condition, or personnel assigned to manage the Fund's assets.
- Facilitate communication between the Committee and actuary.
- Attend Committee meetings as requested preferably annually.
- Provide recommendations for guidelines or allocations changes

Investment Committee Duties:

- Prepare and maintain this investment policy statement.
- Meet, review and monitor investment statements quarterly.
- Members should seek continuing education seminars in order to be knowledgeable in regards to investments and retirement plans

Asset Allocation Guidelines

The committee believes long-term investment performance, in large part, is primarily a function of asset class mix. Historically while interest-generating investments, such as bonds, 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 given the plan's long time horizon.

The general strategic asset allocation will be as follows:

General Class	Target Range
Cash and Local Company investments	0-10%
Fixed Income	35-50%
Equities	45-65%

The Investment Manager/Fiduciary may invest in various asset classes within those guidelines. In regards to the Equity allocation, the manager may invest in various percentages to the following classes: small, medium, and or large capitalized equities, equity mutual funds or equity exchange traded funds (ETF). They may also invest a portion of the equity allocation to international equities, funds, or ETFs. In regards to the Fixed Income allocation, the manager may invest in various percentages to the following classes: short term, intermediate, long term, inflation protected, high yield, and international fixed income.

Rebalancing of Strategic Allocation

When necessary and/or available, cash inflows/outflows will be deployed in a manner consistent with the strategic asset allocation and allocation ranges of the plan. The allocation of the plan will be reviewed on a regular basis and the Investment Manager/Fiduciary has the authority to rebalance to the target allocation ranges at least annually.

Monitoring - Performance Objectives

The committee acknowledges fluctuating rates of return characterize the securities markets, particularly during short-term time periods. Recognizing that short-term fluctuations may cause variations in performance, the committee intends to evaluate investment performance from a long-term perspective.

The committee is aware the ongoing review and analysis of the investment options is just as important as the due diligence process. The performance of the investment options will be monitored on an ongoing basis and it is at the committee's discretion to take corrective action by replacing a manager if they deem it appropriate at any time.

Monitoring - Benchmarks

The benchmark indices that are typically utilized in reviewing and monitoring investments are listed below:

Peer Group	**Benchmark Index**
Diversified Emerging Mkts	MSCI EM NR USD
Foreign Large Blend	MSCI USA NR USD
High Yield Bond	Barclays Aggregate
Inflation-Protected Bond	Barclays Aggregate
Intermediate-Term Bond	Barclays Aggregate
Large Blend	S&P 500 TR
Long-Term Bond	Barclays Aggregate
Mid-Cap Blend	Russell 2000 TR USD
Short-Term Bond	Barclays Aggregate
Small Blend	Russell 2000 TR USD

Prepared by	**Signature**	**Date**
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Name	**Signature**	**Date**
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