



CHARTER TOWNSHIP OF BLOOMFIELD
RETIRED EMPLOYEES' HEALTHCARE BENEFITS TRUST
INVESTMENT POLICY

Date of Last Revision: February 12, 2024

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1. Statement of Purpose

WHEREAS, the Board of Trustees (the "Board") of the Charter Township of Bloomfield, Oakland County, Michigan (the "Township"), in exercising its fiduciary responsibilities, desires to safeguard and prudently invest the funds of the Township's defined benefit retired employees' healthcare benefits plan (the "Plan") which shall be utilized to adequately fund the Plan's obligations; and,

WHEREAS, pursuant to Public Act 149 of 1999, as amended, being MCL 38.1211 et seq., the Township is authorized to establish a public employee health care fund for the purpose of funding health care benefits to retirees and beneficiaries, and the administration of those funds are subject to Public Act 314 of 1965; and,

WHEREAS, pursuant to Public Act 314 of 1965, as amended, being MCL 38.1132 et seq. (the "Act"), the Township may invest the funds contained in its retired employees' healthcare benefits trust in annuity investment contracts or participations in separate real estate, mortgage, bond, stock, mutual funds, private equity, venture capital, hedge funds, and other special accounts of financial institutions as allowed by law, thus allowing for prudent diversified investment in the Plan's portfolio; NOW,

2. Scope of Policy

THEREFORE, BE IT RESOLVED that this Investment Policy (the "Policy") is applicable to all funds in the Plan's trust ("Plan Assets") being held for the benefit of the Plan's participants including current and retired employees and their beneficiaries.

3. Authorized Investments

BE IT FURTHER RESOLVED that the Board authorizes the Township Treasurer to invest the Plan Assets in the following instruments:

- A. In fixed income securities listed in Sec. 17 of the Act (MCL 38.1137) and subject to the limitations specified in subdivision 2 thereof.
- B. In equity securities listed in Sec. 14 of the Act (MCL 38.1134) and subject to the limitations specified in subdivision 1 thereof.
- C. In annuity investment contracts or participations described in Sec. 16 of the Act (MCL 38.1136).
- D. In real estate, mortgages on real estate, REIT's, or other loans as described in Sections 18, 19, and 20 of the Act (MCL 38.1138-1140).
- E. In debt, warrants, or equity of small businesses, SBIC's, or venture capital firms in accordance with Sec. 20a of the Act (MCL 38.1140a).
- F. In alternative investments allowed under Sec. 20d of the Act (MCL 38.1140d) subject to the limitations specified therein.

BE IT FURTHER RESOLVED that the Township Treasurer is authorized to invest the Plan Assets according to the following asset allocation schedule, where percentages are of total Plan Assets:

Asset Class	Minimum	Target	Maximum
U.S. Large Cap Equities	25.0%	30.0%	50.0%
U.S. Small and/or Mid Cap Equities	15.0%	25.0%	40.0%
International Equities	10.0%	15.0%	40.0%
Real Estate	0.0%	10.0%	20.0%
Alternative Investments	0.0%	10.0%	20.0%
Fixed Income	0.0%	10.0%	30.0%
Cash & Cash-Equivalents	0.0%	0.0%	5.0%

BE IT FURTHER RESOLVED that, notwithstanding the allocation of Plan Assets above, the following limitations shall apply to Plan Assets as a whole:

- A. The aggregate value of investments in equity securities cannot exceed seventy percent (70%) of Plan Assets. [MCL 38.1134(1)]
- B. The aggregate value of investments in non-investment-grade U.S. corporate debt cannot exceed fifteen percent (15%) of Plan Assets. [MCL 38.1137(1)(a)(iii)]
- C. The aggregate value of investments in public or private real estate investment trusts (REITs) or other authorized real or personal property, cannot exceed twenty percent (20%) of Plan Assets. [MCL 38.1139(1)]
- D. The aggregate value of investments in Michigan Private Equity cannot exceed five percent (5%) of Plan Assets. [MCL 38.1139a]
- E. The aggregate value of investments not specifically qualified under the Act are limited according to Sec. 20d of the Act. [MCL 38.1140d]

4. Approved Financial Institutions

BE IT FURTHER RESOLVED that the Board will from time-to-time approve and authorize Investment Fiduciaries, as defined in Section 12c(1) of the Act, who will provide services for the Plan.

5. Investment Objectives

BE IT FURTHER RESOLVED that the objectives of this Policy are to (i) maintain a diversified portfolio of the Plan Assets to ensure adequate reserves in the Plan to fully cover all Plan obligations as they become due; and (ii) maintain an allocation of assets seeking to achieve a market rate of return while minimizing ongoing required contributions into the Plan.

6. Standard of Investment Strategy

BE IT FURTHER RESOLVED that the Plan Assets shall be invested as a prudent person would invest in dealing with the property of another, having in view the preservation of assets and the amount and regularity of disbursement from the Plan needed to cover ongoing obligations. The standard of prudence to be used shall be the "prudent investor" standard and shall be applied in the context of managing an overall portfolio.

7. Statement of Ethics

BE IT FURTHER RESOLVED that Township officials shall refrain from personal business activity that could conflict with the proper execution and management of the Plan's investments or that could impair their ability to make impartial decisions.

8. Statutory Requirements and Standards

BE IT FURTHER RESOLVED that the Township shall comply with all applicable statutory requirements and standards for investment of public defined benefit pension plan funds as they exist now or as they may be subsequently amended. Any provisions of this resolution that conflicts with applicable statutory requirements are void.

BE IT FURTHER RESOLVED that Investment Fiduciaries approved by the Board shall sign an Acknowledgment of Receipt of this Policy and Agreement to Comply of the form below:

ACKNOWLEDGEMENT OF RECEIPT OF RETIRED EMPLOYEES' HEALTHCARE BENEFITS PLAN INVESTMENT POLICY AND AGREEMENT TO COMPLY

I have read and fully understand the Retired Employees' Healthcare Benefits Plan Investment Policy (the "Policy") of the Charter Township of Bloomfield as amended _____.

I agree, personally and on behalf of the financial institution(s) that I represent, to comply with all the requirements of the Policy of the Charter Township of Bloomfield.

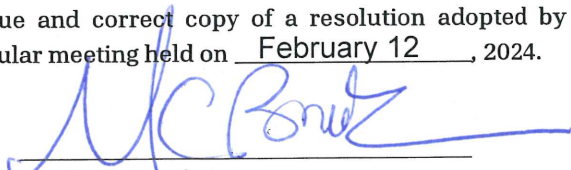
Any existing investment not conforming to this Policy will be disclosed in writing to the township treasurer immediately. To the extent that any agreement, policy or investment conflicts with this Policy, this Policy shall control.

By: _____
Title: _____
Company: _____
Date: _____

YEAS: 7
NAYS: 0

I, MARTIN C. BROOK, Township Clerk of the Charter Township of Bloomfield, County of Oakland, State of Michigan, do hereby certify the foregoing is a true and correct copy of a resolution adopted by the Bloomfield Township Board of Trustees at their regular meeting held on February 12, 2024.

Dated: February 21, 2024



Martin C. Brook
Bloomfield Township Clerk

