

Investment Policy Statement

401(a) Defined Contribution Pension Plan 457(b) Deferred Compensation Plan

Gwinnett County sponsors the Gwinnett County Board of Commissioners Defined Contribution Pension Plan and the Gwinnett County Board of Commissioners Deferred Compensation Plan (individually, the “Plan”, or collectively, the “Plans”). The Plans are participant directed retirement plans maintained to provide retirement income for participants, and to allow participants (beneficiaries, if applicable) to personally direct how his or her contributions and balances in the Plans are invested among a diverse menu of investment options offered under the Plans.

The Gwinnett County Board of Commissioners (the “Board of Commissioners”) has approved and appointed the Retirement Plans Management Committee (the “RPMC”) to oversee the Plans on behalf of the participants and beneficiaries, including the responsibility for the investment options offered under the Plans. The RPMC has delegated to the Investment Committee of the RPMC (the “Investment Committee”) the responsibility for reviewing and evaluating on a periodic basis the performance of the investment options offered to participants under the Plans.

Purpose

The Plans’ participants and beneficiaries are expected to have different investment objectives, time horizons and risk tolerances. To meet these varying investment needs, the RPMC will employ a logical and diligent process to select a menu of investment options that provides Plan participants with the ability to allocate their individual account balances among a broad range of investment options to construct diversified portfolios that reasonably span the spectrum of risk and return. The RPMC, Investment Committee and Board of Commissioners are not providing investment or tax advice to any participants and will not be responsible for any loss to any participant resulting from the participant’s investment selection or from any action taken in accordance with the participant’s investment direction.

This Investment Policy Statement sets forth a construct in which the investment options offered under each Plan will be selected and monitored, including that decisions will be made prudently, in the best interests of the Plan and its participants and to provide benefits and defray reasonable expenses of Plan administration. This Statement is intended to assist the RPMC and the Investment Committee in meeting their responsibilities with respect to the selection and monitoring of the investment options offered under the Plans.

Specifically, the purpose of this Investment Policy Statement is to:

- Effectively monitor, supervise, and manage the investment of the Plans to ensure that the assets of the Plans are invested with appropriate safeguards and diversification for the exclusive benefit of the participants and beneficiaries.

- Revise or make changes to reflect changing conditions due to statutory or regulatory law, investment climate or market conditions.
- Identify the categories and asset classes of investment alternatives to be made available to participants.
- Establish investment performance objectives and measurement standards.
- Provide a procedure for the on-going evaluation of the investment options offered under the Plans.
- Provide guidelines for the addition, termination or replacement of any investment options.
- Evaluate investment consultants, third-party service providers, and other professionals whose expertise is deemed by the RPMC and the Investment Committee to be appropriate or necessary.

Duties and Responsibilities

Retirement Plans Management Committee and Investment Committee

When acting as a fiduciary, the RPMC and the Investment Committee must act prudently and for the exclusive interests of the Plan participants and their beneficiaries. More specifically, the primary responsibilities of the RPMC and the Investment Committee with respect to the Plans' investments are to:

1. Develop and maintain the Investment Policy Statement.
2. Select investment options to be offered by the Plan that include a broad range of asset classes with distinct risk and return profiles so that each participant may adequately diversify his or her account.
3. Avoid prohibited transactions and conflicts of interest.
4. Periodically review and evaluate the investment results of the selected investment options against established performance measurement criteria.
5. If the RPMC deems appropriate, select an investment consultant to assist with the selection and monitoring of Plan investment options.

The Investment Consultant

If an investment consultant is hired, the RPMC may assign certain duties and responsibilities to such investment consultant, including without limitation, the following:

1. Assist in the development and periodic review of the Investment Policy Statement.

2. Provide periodic performance reports and monitor the performance of the investment options and appropriate benchmarks.
3. Conduct investment fund searches when requested by the RPMC or the Investment Committee.
4. Advise the RPMC and the Investment Committee regarding the selection, termination and replacement of investment options offered under the Plans.
5. Periodically review the fees and expenses of the Plans and the Plans' investment options and report the findings to the RPMC and the Investment Committee.

The Custodian

The custodian is responsible for holding Plan assets in custody for the exclusive purpose of providing benefits to Plan participants and their beneficiaries in accordance with that certain custodial agreement with Gwinnett County.

Investment Objectives

The overall investment objective is to offer participants a broad range of investment alternatives that provide diversification of both asset classes and risk levels, to allow participants to invest on a long-term basis for retirement. Each Plan's investment alternatives will present a reasonable opportunity for participants to materially affect their potential return on assets and investment risk, as well as to diversify their investments so as to minimize the risk of large losses, taking into account the nature of the Plan and the size of participant accounts. Each Plan will offer diversified investment options each of which will have materially different risk and return characteristics. These investment alternatives should, in the aggregate, enable a participant to achieve a portfolio with risk and return characteristics appropriate for that individual. The investment alternatives are intended to minimize through diversification the overall risk of a participant's portfolio.

Investment Option Selection

The RPMC will select investment options that it believes will meet the Plan's diverse investment needs. Each investment option when selected, at a minimum, shall meet the standards set forth below:

Performance return versus Peer Group:

- 3 year category percentage rank is in top 50th percentile.
- 5 year category percentage rank is in top 50th percentile.

Performance return versus Benchmark:

- 3 year performance is greater than the benchmark.
- 5 year performance is greater than the benchmark.

Operations/Other:

The net assets of the fund are greater than \$100MM.

The fund's manager tenure is greater than 3 years.

In selecting target date funds, the RPMC will take into account additional factors such as the fund's glide path, asset allocation strategy, level of diversification and overall structure and operations. In recognition of the fact that benchmarks available for target date funds do not generally account for variations in glide path, asset allocation, diversification, structure and operations considered in selecting such funds, such benchmarks will be reviewed in light of these considerations.

Performance Monitoring and Replacement of Investment Options

Performance Monitoring

The RPMC and Investment Committee will monitor and evaluate the Plan's investment options on a periodic basis, typically quarterly via the investment consultant's performance report. The RPMC and the Investment Committee acknowledge that 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 RPMC and Investment Committee intend to evaluate fund performance from a long-term perspective.

The evaluation process will encompass a fund's characteristics, relative and absolute performance, and applicable risk evaluation metrics, all of which are illustrated in the performance report. To enhance the efficiency of the quarterly fund review process, an initial screening framework will be utilized. The following categories will be examined:

- Performance return versus Peer Group
- Performance return versus Benchmark
- Operations/Other
 - Fund asset size
 - Fund manager tenure

Should a fund meet the following three minimum standards listed below, no further action is required:

1. The 3 or 5-year category percentage peer rank is in the top 50th percentile or the 3-year or 5-year performance is greater than the benchmark;
2. The net assets of the fund are more than \$100MM; and
3. The fund's manager tenure is 3 years or greater.

Any fund not satisfying the three above criteria will undergo a more heightened qualitative and quantitative review by the Investment Committee, in consultation with the investment consultant.

The Investment Committee will provide the RPMC with a recommendation, along with background and substantiation, regarding the retention or replacement of any investment option requiring this additional heightened review and oversight.

Performance Monitoring for Target Date Funds

In addition to the above referenced criteria, additional factors should be considered when monitoring target date funds. Such factors include the fund's glide path, asset allocation strategy and level of diversification, overall structure and operations, and any changes to the Plan's demographics or goals.

Replacement of Investment Options

Periodic monitoring may identify investment options that fall short of expectations and may appear to be candidates for replacement. Before an investment option is removed from the Plan or replaced, the RPMC and the Investment Committee may do the following:

1. Carefully monitor the investment option for a period of time to determine if and when it should be considered for replacement.
2. Reconsider the investment needs of Plan participants to determine if the removed investment option should be replaced by a similar investment option or if the overall scheme of investment alternatives under the Plan should be modified and the removed investment option replaced by a different type of investment option.
3. Review the utilization of the fund by Plan participants to determine whether the addition of a similar investment option should be offered as a replacement of or an addition to the existing investment option. If the investment option will not be removed, a decision may be made as to whether additional investments by the Plan participants into the option will be permitted.
4. Review the available "universe" of possible investment options to keep abreast of possible alternatives that meet the criteria established under the "Investment Option Selection" section above.

Proxy Voting

To the extent that the responsibility for voting proxies of securities held in an investment option is not the responsibility of an investment manager, the Investment Committee will determine the proper voting of proxies related to the investment option. Because the investment options are prudently selected and monitored, and underperforming investment options are removed when necessary, the Investment Committee will usually vote in support of the management proposals in the proxies. However, the Investment Committee will review the proxy statements for proposals which could be detrimental to the best interests of the Plan and its members and will vote the Plan's shares against those proposals. For example, the Investment Committee will generally vote against proposals which:

1. Increase the expenses of the investment option.
2. Increase the risk of the investments in the investment option.
3. Would result in a change to an investment style inconsistent with the objective and targeted asset class for which the investment option was chosen.

Self-Directed Brokerage Account

Provided that the Plan allows such an option, each eligible Plan participant may transfer a portion (or all) of their account balance into a self-directed brokerage account option offered under the Plan and direct the purchase and sale of securities from his or her account. The responsibility for voting proxies of securities held in the self-directed brokerage account lies exclusively with the Plan participant.


Investment Policy Statement Evaluation

The Investment Committee will review this Investment Policy Statement at least annually and, if appropriate, recommend any changes to the RPMC. It is not expected that the Investment Policy Statement will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the Investment Policy Statement.

Agreement

This Investment Policy Statement was approved by the RPMC on May 22, 2014, supersedes any previous Investment Policy Statements for the Plans, and should remain in force until amended or revoked.

Signed 
RPMC Chairperson


Date