International Union of Operating Engineers Local #487

3rd Quarter Review

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November 20, 2014

Agenda

- Executive Summary
- Capital Markets Review
- Plans Assets and Metrics
- Asset Allocation Review
- Appendix

IUOE Local 487

Executive Summary, 10/31/2014

Summary

- Pension Fund returned 3.7% (net) Fiscal YTD, and 8.2% (net) for the 1 year, with assets totaling $57,132,388
- Health & Welfare Fund returned 2.3% (net) Fiscal YTD, and 4.9% (net) for the 1 year, with assets totaling $3,273,456
- Apprentice and Training Fund 2.4% (net) Fiscal YTD and 4.1% (net) for the 1 year, with assets totaling $561,509

Portfolio Notes

- Due to recent increase in volatility, we reduced the equity allocation by 5% in the Pension Fund on 9/30/14
- Manager change in World Equity ex-US where Thornburg was terminated

Market Outlook

- Recent equity market weakness is not a harbinger of a bear market. Yield curve, Fed action and Corporate fundamentals keep us from becoming defensive
- In fixed income, real rates rose as inflation expectations fell, spreads widened and the curve flattened
- Slowing global growth forecasts, Fed policy uncertainty, political turmoil, and Ebola potential have the market on edge, but the US economic recovery should remain resilient
- Most prominent market-oriented geopolitical threat is an energy blackmail from Russia this winter

Please refer to the Portfolio Summary page for additional information on portfolio performance;

Capital Markets Review

Global market review

Market review

- Investor anxiety has increased as concerns over slowing global growth and central bank transition moves to the forefront.
  - Europe continues to be the primary focus, impacting both equity and bond markets across the globe.
- Investors sought out safety as all equity asset classes except U.S. large cap saw declines in the period and investment grade and Treasury bonds provided modest returns.
- U.S. dollar strengthening was a headwind for emerging markets, energy-related equities and commodities.

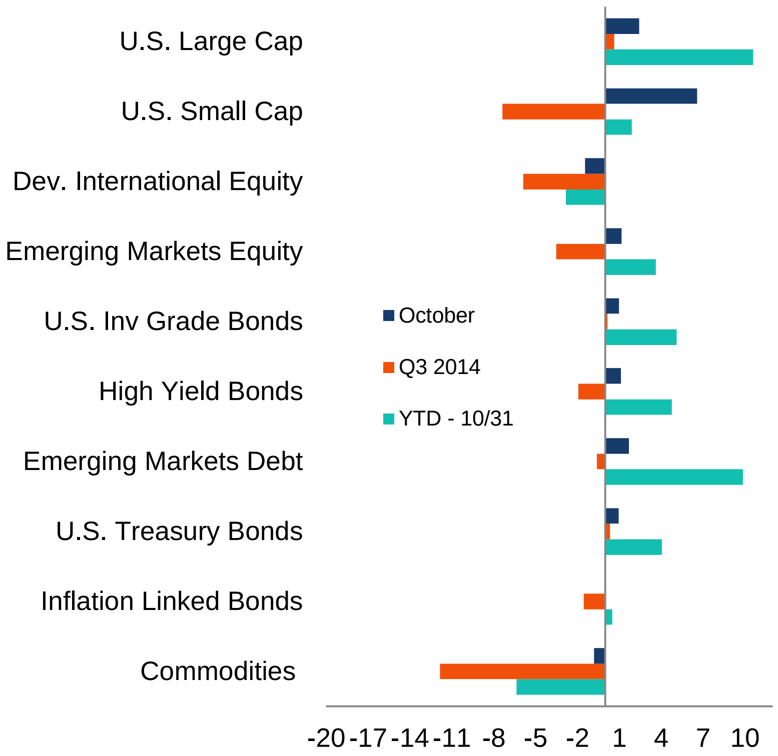
Strategy positioning

- Within equities, pro-cyclicality positioning in large cap was a modest detractor while defensive positioning within small caps helped navigate a negative environment in the space.
- Curve flattening positions were beneficial to performance while fixed income spread sectors sold off, but have benefited performance YTD.

Market and economic outlook

- Though extremely volatile as of late, it is our view that the global economic recovery is a work in process.
- While the Fed moves toward a normalization of monetary policy, with easing coming to an end, we expect very a cautious approach.
- Though currently volatile, we expect U.S. equities to recover and continue their upward trek. As we continue to normalize, we believe equity prices have the ability to advance in line with profit growth.

Financial Markets Performance (%)



U.S. Large Cap = Russell 1000, U.S. Small Cap = Russell 2000, International Equity = MSCI EAFE, Emerging Markets Equity = MSCI EME, U.S. Investment Grade Bonds = Barclays U.S. Aggregate, High Yield = BofA ML Master II HY Constrained, Emerging Markets Debt = JP Morgan EMBI Global Diversified, Treasury = Treasury component of the Barclays U.S. Aggregate, Inflation Linked = Barclays 1-5 Year TIPS, Commodities = DJ UBS Commodity Index. Source: SEI, FactSet.

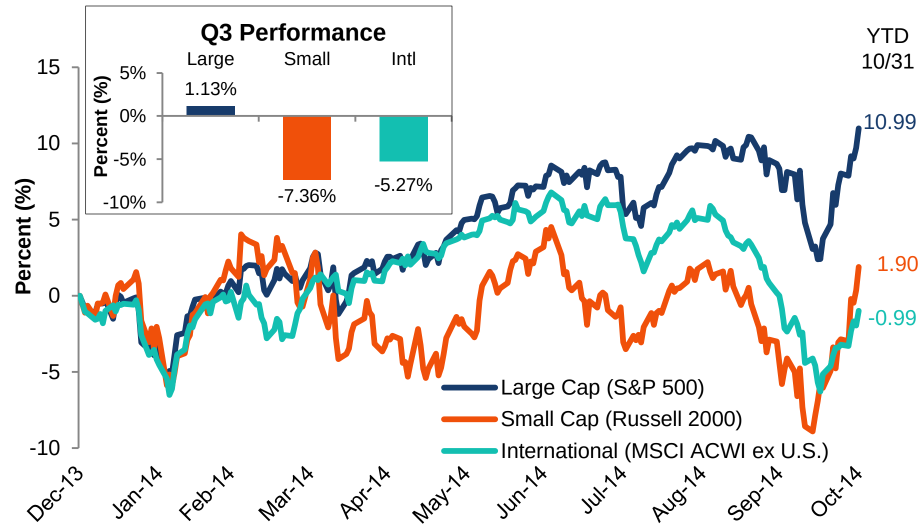
Equity markets review

- Equity markets reflected concerns of a modest global growth slowdown at the moment central banks are transitioning, creating some investor anxiety in Q3 2014.
- With increased volatility, U.S. large caps widened their performance lead relative to small cap and international markets.
- In the U.S., small caps continued a volatile year, retreating strongly during the quarter and moving into negative territory for the year driven by weaker fundamentals and concerns of elevated valuations.
- International markets gave up 2014 returns, driven by geopolitics and a European market challenged by concerns of economic recovery and looming threats of deflation.
  - The ECB has declared they are ready to launch a quantitative easing program if necessary to stave off deflation and guide the region to recovery.

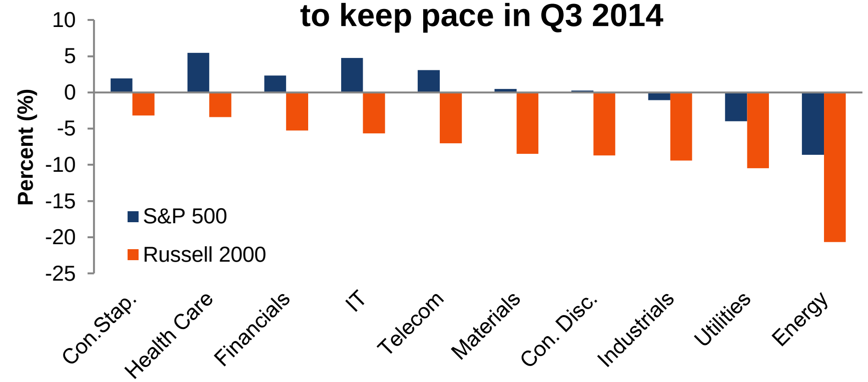
Portfolio impact

- In large cap, modest pro-cyclical positioning was a headwind for relative return during the period, as defensives again did well.
- Within small cap, we outperformed a correcting market as our preference for stability was rewarded.
- Selection within developed international markets, particularly Europe, was an additional tailwind to relative returns.
- In emerging markets, macro-oriented factors such as growth and geopolitics created a volatile and challenging environment.

Investor anxiety creates dispersion



Within U.S., small caps struggle to keep pace in Q3 2014



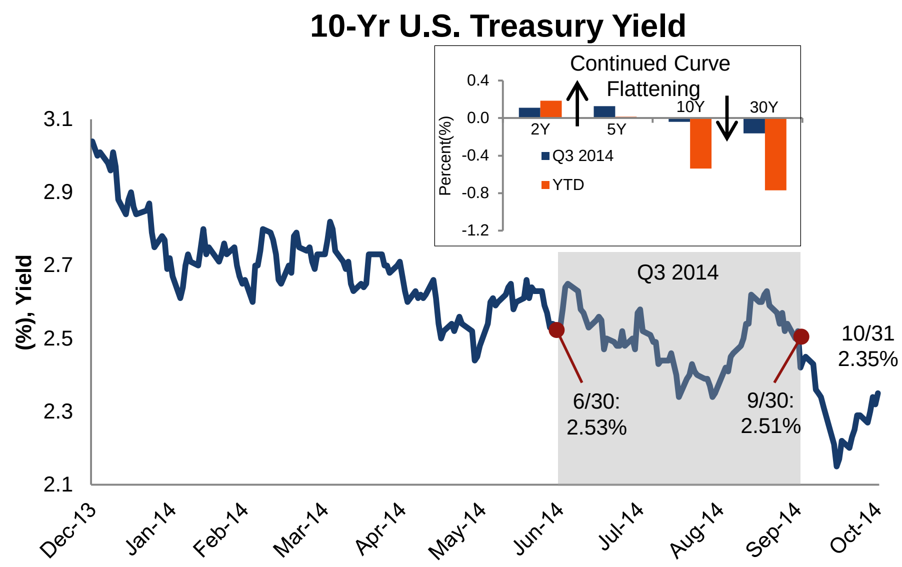
Source: Both Charts -FactSet, SEI.

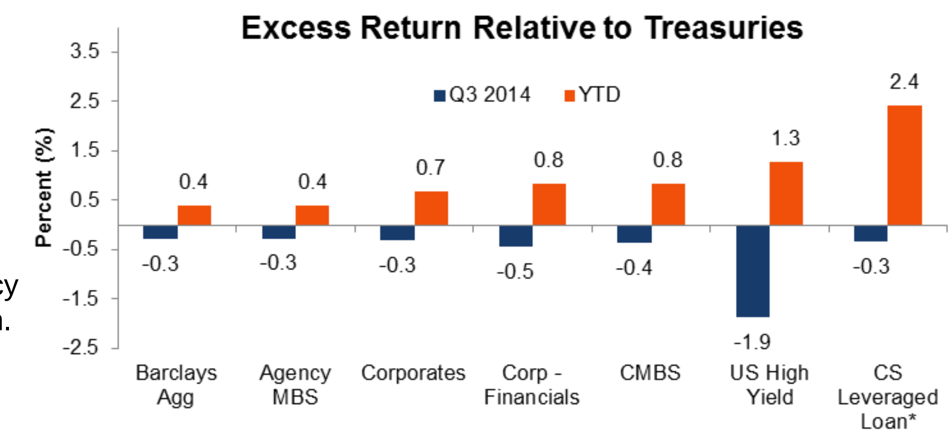
Fixed income review

- The Fed continued on its current path of tapering, but concerns persist about the eventual timing of increases in short-term rates. This has most recently been driven by European developments.
- Demand for U.S. Treasury bonds was strong due to a flight to safety bid along with U.S Treasury yields that are higher than other comparable developed market government bond yields.
- The yield curve continued to flatten, with the 2-Yr and 5-Yr yields moving higher and the longer end continuing to fall.
- Inflation expectations fell while real rates moved modestly higher.
- Bond markets are preparing for the eventual tightening of monetary policy in the U.S. and, as a result, volatility has increased modestly. Spreads widened in non-government sectors, as investor concern of liquidity risk remained slightly elevated during the period.
  - U.S. high yield and emerging markets debt were notably volatile during the quarter, as technical influences drove results.

Portfolio impact

- Our duration positioning was a slight headwind but was counterbalanced by our yield curve flattening posture in core mandates.
- Sector selection was additive through an allocation to non-agency mortgages, one of the only spread sectors that saw compression.
- Defensive posturing within high yield through exposure to bank loans also proved advantageous on a relative basis.





Source: Top Chart: FactSet. Bottom Chart: Barclays, SEI.

Plan Assets and Performance

SEI New ways. New answers.®

Relative-return oriented strategies

Relative Return Strategies	October	Q3 2014	YTD (October)	2013	2012	2011	2010	2009
SIIT Large Cap Fund	**2.16**	**0.48**	**9.06**	**35.54**	**17.34**	**0.98**	**14.29**	**29.94**
Russell 1000 Index	2.44	0.65	10.61	33.11	16.42	1.50	16.10	28.43
SIIT Small Cap Fund	**5.17**	**-6.18**	**1.69**	**41.89**	**14.37**	**-4.90**	**24.68**	**38.05**
Russell 2000 Index	6.59	-7.36	1.90	38.82	16.35	-4.18	26.85	27.17
SIIT U.S. Managed Volatility Fund	**4.00**	**0.53**	**13.97**	**30.03**	**13.39**	**10.78**	**16.09**	**15.64**
Russell 3000 Index	2.75	0.01	9.90	33.55	16.42	1.03	16.93	28.34
S&P 500 Index	2.44	1.13	10.99	32.39	16.00	2.11	15.06	26.46
SIIT World Equity Ex-US Fund	**-0.77**	**-4.49**	**-0.45**	**18.32**	**18.70**	**-12.75**	**13.40**	**35.30**
MSCI All Country World ex US Index	-0.99	-5.27	-0.99	15.29	16.83	-13.71	11.15	41.45
SIT Emerging Markets Equity Fund	**1.27**	**-4.33**	**2.88**	**1.60**	**19.23**	**-21.88**	**19.86**	**78.22**
MSCI Emerging Markets Index	1.18	-3.49	3.63	-2.60	18.22	-18.42	18.88	78.51

Data as of 10/31/2014, Source: SEI. Gross Fund Performance reflects the effective performance of the underlying mutual funds that are selected or recommended by SIMC to implement an institutional client's investment strategy. Gross Fund Performance does not reflect the impact of fund level management fees, fund administration or shareholder servicing fees, all of which, if applicable are used to offset the account level investment management fees the client pays to SIMC. Gross Fund Performance does reflect certain operational expenses charged by the funds and the reinvestment of dividends and other earnings. The inclusion of the fund level expenses that the client incurs but that are offset against the client's account level investment management fees would reduce the Gross Fund Performance of the mutual funds. Past performance is no guarantee of future results. The principal value and investment return of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original value. Current performance may be higher or lower. For performance data current to the most recent month end, please call 1-800-DIAL-SEI.

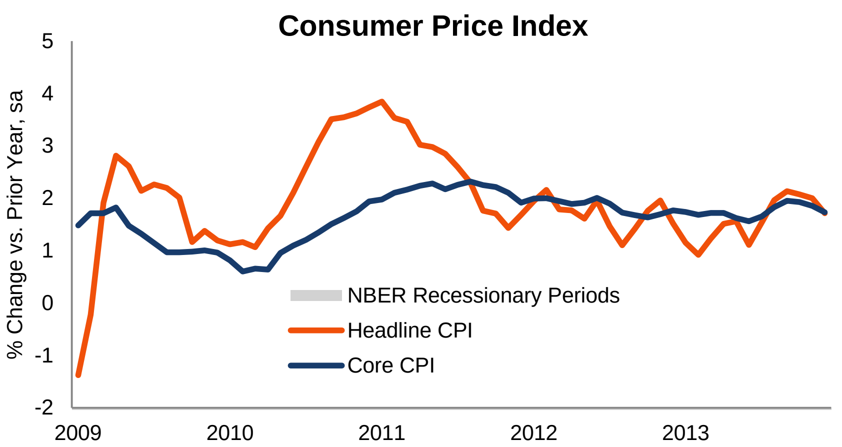
Relative-return oriented strategies

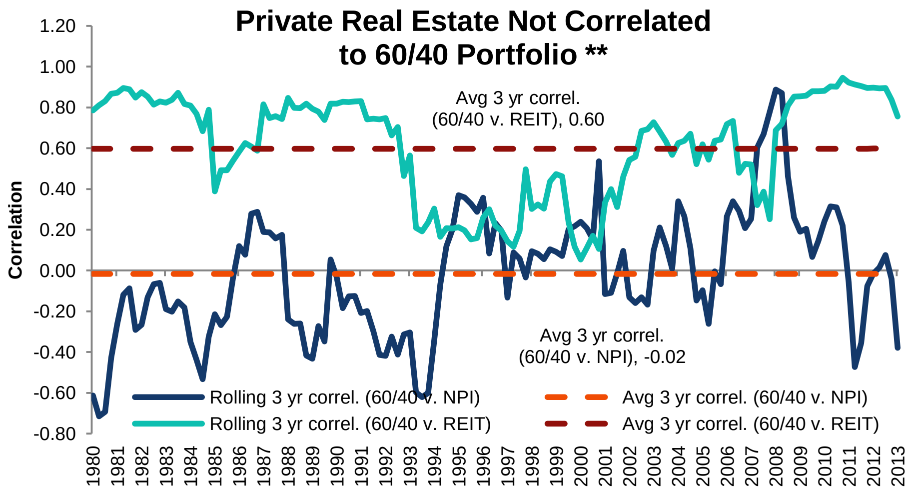
Relative Return Strategies	October	Q3 2014	YTD (October)	2013	2012	2011	2010	2009
SIIT Core Fixed Income	**0.99**	**0.43**	**5.95**	**-1.10**	**7.23**	**8.12**	**9.96**	**15.55**
Barclays U.S. Aggregate Bond Index	0.98	0.17	5.12	-2.02	4.21	7.84	6.54	5.93
SIIT High Yield Bond	**0.74**	**-1.30**	**4.92**	**8.32**	**17.24**	**5.58**	**17.97**	**58.84**
BofA ML U.S. High Yield Constrained Index	1.14	-1.92	4.78	7.41	15.55	4.37	15.07	58.10
SIIT Opportunistic Income Fund	**0.10**	**0.31**	**2.40**	**2.77**	**7.50**	**1.60**	**7.38**	**15.93**
BofA ML 3Mo Deposit Offered Rate Constant Maturity Index	0.02	0.06	0.20	0.24	0.51	0.27	0.33	0.99
SIIT Emerging Markets Debt	**1.68**	**-3.53**	**5.86**	**-8.42**	**19.15**	**5.96**	**15.82**	**43.08**
50% JPM EMBI GD / 50% GBI- EM GD Index*	1.64	-3.14	5.68	-7.10	17.18	7.35	12.24	29.82
SIIT Ultra Short Duration Fund	**0.00**	**0.19**	**0.85**	**1.03**	**2.93**			
Barclays Short US Treasury 9-12 Month Index	0.00	0.08	0.22	0.25	0.23			

Data as of 10/31/2014, Source: SEI. *Prior to 6/30/2012, benchmark is 100% JPM EMBI Global Diversified . ‡ Q3 2014 and YTD Performance is from 7/31/2014-9/30/2014.

Gross Fund Performance reflects the effective performance of the underlying mutual funds that are selected or recommended by SIMC to implement an institutional client's investment strategy. Gross Fund Performance does not reflect the impact of fund level management fees, fund administration or shareholder servicing fees, all of which, if applicable are used to offset the account level investment management fees the client pays to SIMC. Gross Fund Performance does reflect certain operational expenses charged by the funds and the reinvestment of dividends and other earnings. The inclusion of the fund level expenses that the client incurs but that are offset against the client's account level investment management fees would reduce the Gross Fund Performance of the mutual funds. Past performance is no guarantee of future results. The principal value and investment return of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original value. Current performance may be higher or lower. For performance data current to the most recent month end, please call 1-800-DIAL-SEI.

Goals-based strategies: Diversification, yield and inflation management - Real estate





Strategy	Q3 2014	YTD	2013	2012	2011	2010	2009	Yield
Core Property Fund*	**3.33**	**8.49**	**13.82**	**11.48**	**11.79‡**	**n/a**	**n/a**	**4.48**
NCREIF Property Index (NPI)	2.63	8.51	10.98	10.54	14.30	13.10	-16.8	5.42
NFI – ODCE	3.24	8.94	13.94	10.94	16.0	16.4	-29.8	5.06
Consumer Price Index (CPI)	-0.13	2.14	1.50	1.74	2.96	1.50	2.72	n/a
Barclays US Aggregate Bond Index	0.17	4.10	-2.02	4.21	7.84	6.54	5.93	2.53

*Performance is gross of investment management fees and net of administrative fees.

Source: SEI, DataStream. All other data as of 9/30/2014. Net Return is gross return less admin fee ‡The 2011 return for the SEI Core Property Fund includes a cash-drag, as the fund initially held significant cash prior to becoming more fully invested during the first year of operation. ** 60/40 Portfolio is composed of 60% S&P 500 Index and 40% Barclays Aggregate U.S. Bond Index. Avg REIT correlation uses Dow Jones U.S. Select REIT Index (float adjusted). Performance data quoted is past performance. Past performance is no guarantee of future results. The principal value and investment return of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original value. Current performance may be higher or lower. For performance data current to the most recent month end, please call 1-800-DIAL-SEI.

Important information: Pension asset valuation and portfolio returns

Inception date 5/31/10 Historical Total Index can be provided upon request.

Alternative, Property and Private Assets valuations and performance may be reported on a monthly or quarterly lag.

The Portfolio Return and fund performance numbers are calculated using Gross Fund Performance, using the Modified Dietz method of calculation, which considers the timing of cash flows during the periods. Gross Fund Performance reflects the effective performance of the underlying mutual funds that are selected or recommended by SIMC to implement an institutional client's investment strategy. Gross Fund Performance does not reflect the impact of fund level management fees, fund administration or shareholder servicing fees, all of which, if applicable are used to offset the account level investment management fees the client pays to SIMC. Gross Fund Performance does reflect certain operational expenses charged by the funds and the reinvestment of dividends and other earnings. The inclusion of the fund level expenses that the client incurs but that are offset against the client's account level investment management fees would reduce the Gross Fund Performance of the mutual funds. If applicable, Alternative, Property and Private Assets performance is calculated net of administrative fees; however, SEI Offshore Opportunity Fund Ltd. and SEI Offshore Opportunity Fund II Ltd. Class A performance is net of investment management and administrative fees.

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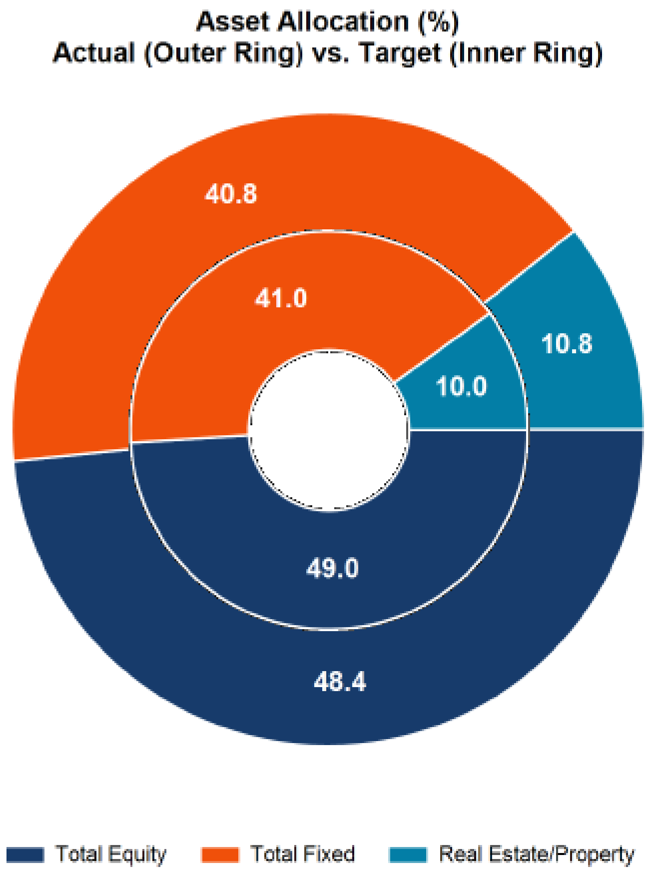
As of the close of business on 9/30/2014, the Total Index Composition is as follows:

31 %	Russell 1000 TR
21 %	Barclay US Agg TRIX
11 %	BofAML USD LIBOR 3M Con Mat TR
10 %	MSCI AC Wrld x US NR USD
10 %	Hist Blnd: Core Property Idx
9 %	Barclay Sh Tr 9-12M TRIX
4 %	Russell 2000 TR
4 %	MSCI EM (Emg Mkt) NR USD

Asset Allocation – Pension 10/31/14



Asset Class	Actual Allocation	Market Value	
SEI Large Cap Fund	30.9%	$	17,655,298
SEI Small Cap Fund	4.0%	$	2,304,484
SEI World Equity ex-US Fund	9.6%	$	5,507,153
SEI Emerging Markets Equity Fund	3.9%	$	2,214,673
SEI Core Fixed Income Fund	9.0%	$	5,123,267
SEI High Yield Bond Fund	5.0%	$	2,868,781
SEI Opportunistic Income Fund	10.9%	$	6,232,885
SEI Emerging Markets Debt Fund	7.0%	$	3,984,663
SEI Ultra Short Duration Bond Fund	8.9%	$	5,066,342
SEI Core Property Collective Fund	10.8%	$	6,174,843
Total	**100.00%**	**$**	**57,132,388**

Alternative, Property and Private Assets valuations may be reported on a monthly or quarterly lag.

Portfolio Performance – Pension 10/31/14

Total Portfolio Returns	1 Month	3 Month	FYTD 3/31	YTD	1 Year	3 Year	ITD 5/31/10
Total Portfolio Return	1.44	1.37	4.11	5.90	8.86	12.03	11.41
Total Portfolio Return (net)	1.38	1.20	3.70	5.38	8.16	11.33	10.71
Total Portfolio Index	1.44	1.50	4.20	5.94	8.21	10.30	10.12

		One Month		Three Months		Year to Date
Beginning Portfolio Value	**$**	**56,512,899.86**	**$**	**56,927,002.46**	**$**	**55,887,137.03**
Net Cash Flows	$	(180,000.00)	$	(531,138.60)	$	(1,835,110.75)
Realized Gains	$	(1,318.75)	$	1,690.86	$	234,378.09
Unrealized Gains	$	625,854.60	$	510,950.00	$	2,174,596.85
Dividends	$	174,952.63	$	223,883.62	$	671,387.12
Ending Portfolio Value	**$**	**57,132,388.34**	**$**	**57,132,388.34**	**$**	**57,132,388.34**

Important information: Health & Welfare asset valuation and portfolio returns

Inception date 5/31/10 Historical Total Index can be provided upon request.

Alternative, Property and Private Assets valuations and performance may be reported on a monthly or quarterly lag.

The Portfolio Return and fund performance numbers are calculated using Gross Fund Performance, using the Modified Dietz method of calculation, which considers the timing of cash flows during the periods. Gross Fund Performance reflects the effective performance of the underlying mutual funds that are selected or recommended by SIMC to implement an institutional client's investment strategy. Gross Fund Performance does not reflect the impact of fund level management fees, fund administration or shareholder servicing fees, all of which, if applicable are used to offset the account level investment management fees the client pays to SIMC. Gross Fund Performance does reflect certain operational expenses charged by the funds and the reinvestment of dividends and other earnings. The inclusion of the fund level expenses that the client incurs but that are offset against the client's account level investment management fees would reduce the Gross Fund Performance of the mutual funds. If applicable, Alternative, Property and Private Assets performance is calculated net of administrative fees; however, SEI Offshore Opportunity Fund Ltd. and SEI Offshore Opportunity Fund II Ltd. Class A performance is net of investment management and administrative fees.

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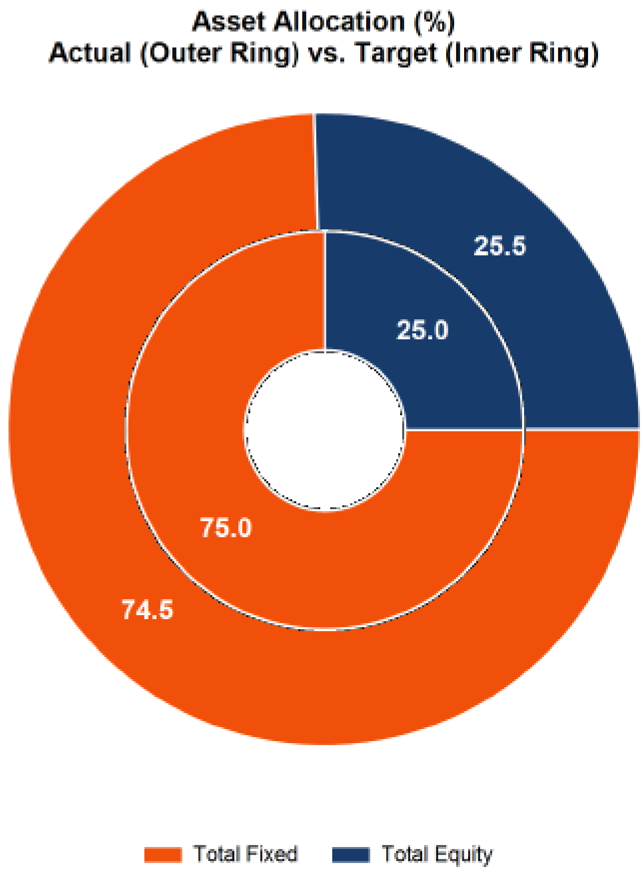
As of the close of business on 5/31/2014, the Total Index Composition is as follows:

30 %	Barclay US Agg TRIX
25 %	BofAML USD LIBOR 3M Con Mat TR
20 %	Barclay Sh Tr 9-12M TRIX
7 %	MSCI AC Wrld x US NR USD
6 %	S&P 500 Daily Reinv IX
6 %	Russell 1000 TR
4 %	Russell 2000 TR
2 %	MSCI EM (Emg Mkt) NR USD

Asset Allocation – Health & Welfare 10/31/14



Asset Class	Actual Allocation		Market Value
SEI Large Cap Fund	6.4%	$	210,975
SEI Small Cap Fund	3.9%	$	128,709
SEI U.S. Managed Volatility Fund	6.4%	$	210,184
SEI World Equity ex-US Fund	6.8%	$	221,670
SEI Emerging Markets Equity Fund	2.0%	$	66,618
SEI Core Fixed Income Fund	20.2%	$	660,182
SEI High Yield Bond Fund	4.0%	$	130,113
SEI Opportunistic Income Fund	24.7%	$	807,131
SEI Emerging Markets Debt Fund	6.0%	$	197,256
SEI Ultra Short Duration Bond Fund	19.6%	$	640,619
Total	**100.00%**	**$**	**3,273,456**

Portfolio Performance – Health & Welfare 10/31/14

Total Portfolio Returns	1 Month	3 Month	FYTD 3/31	YTD	1 Year	3 Year	ITD 5/31/10
Total Portfolio Return	0.91	0.80	2.53	3.97	5.29	7.35	7.45
Total Portfolio Return (net)	0.88	0.70	2.30	3.67	4.89	6.95	7.05
Total Portfolio Index	0.81	0.80	2.10	3.20	4.03	5.30	5.68

		One Month		Three Months		Year to Date
Beginning Portfolio Value	**$**	**3,244,629.32**	**$**	**3,250,666.18**	**$**	**2,964,533.82**
Net Cash Flows	$	-	$	(1,165.35)	$	196,910.05
Realized Gains	$	-	$	(1.87)	$	4,911.37
Unrealized Gains	$	16,224.44	$	6,061.45	$	56,213.10
Dividends	$	12,601.76	$	17,895.11	$	50,887.17
Ending Portfolio Value	**$**	**3,273,455.52**	**$**	**3,273,455.52**	**$**	**3,273,455.52**

Important information: Apprentice & Training asset valuation and portfolio returns

Inception date 5/31/10 Historical Total Index can be provided upon request.

Alternative, Property and Private Assets valuations and performance may be reported on a monthly or quarterly lag.

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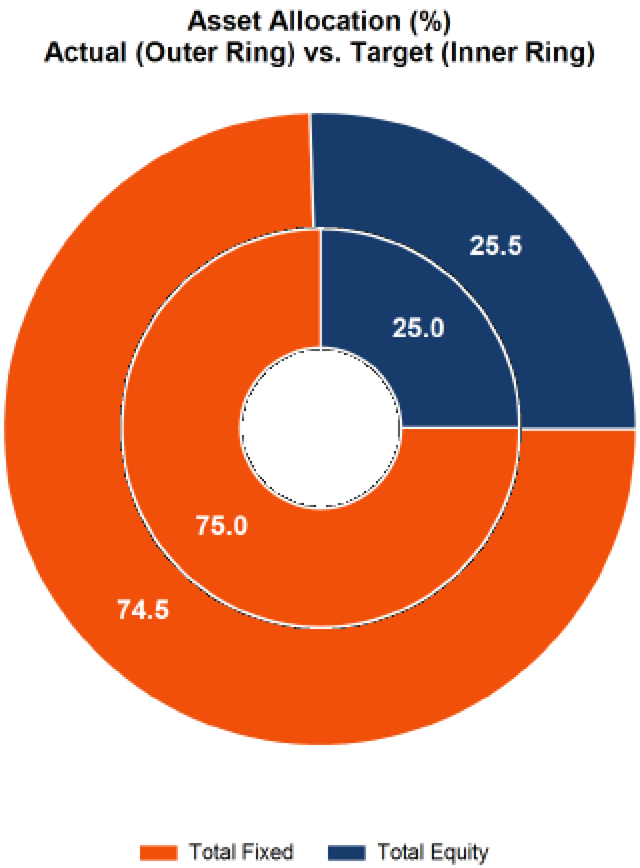
20 %	Barclay Sh Tr 9-12M TRIX
7 %	MSCI AC Wrld x US NR USD
6 %	S&P 500 Daily Reinv IX
6 %	Russell 1000 TR
4 %	Russell 2000 TR
2 %	MSCI EM (Emg Mkt) NR USD

Asset Allocation – Apprentice & Training 10/31/14



Asset Class	Actual Allocation		Market Value
SEI Large Cap Fund	6.3%	$	35,535
SEI Small Cap Fund	4.1%	$	22,930
SEI U.S. Managed Volatility Fund	6.3%	$	35,571
SEI World Equity ex-US Fund	6.8%	$	38,025
SEI Emerging Markets Equity Fund	2.0%	$	11,283
SEI Core Fixed Income Fund	20.2%	$	113,212
SEI High Yield Bond Fund	4.0%	$	22,346
SEI Opportunistic Income Fund	24.7%	$	138,905
SEI Emerging Markets Debt Fund	6.0%	$	33,471
SEI Ultra Short Duration Bond Fund	19.6%	$	110,230
Total	**100.00%**	**$**	**561,509**

Portfolio Performance – Apprentice & Training 10/31/14

Total Portfolio Returns

	1 Month	3 Month	FYTD 3/31	YTD	1 Year	3 Year	ITD 5/31/10
Total Portfolio Return	0.91	0.80	2.60	3.86	4.50	5.63	5.57
Total Portfolio Return (net)	0.88	0.70	2.37	3.56	4.10	5.23	5.17
Total Portfolio Index	0.81	0.80	2.10	2.97	3.21	3.45	3.68

		One Month		Three Months		Year to Date
Beginning Portfolio Value	**$**	**556,561.95**	**$**	**557,598.75**	**$**	**562,279.98**
Net Cash Flows	$	-	$	(188.05)	$	(20,507.70)
Realized Gains	$	-	$	(0.30)	$	572.73
Unrealized Gains	$	2,789.50	$	1,032.36	$	10,201.89
Dividends	$	2,157.24	$	3,065.94	$	8,961.79
Ending Portfolio Value	**$**	**561,508.70**	**$**	**561,508.70**	**$**	**561,508.70**

Asset Allocation Review

SEI New ways. New answers.®

How we create probability distributions and what they mean

About Capital Market Assumptions

- SEI Investment Management Corporation develops forward-looking, long-term capital market assumptions for risk, return, and correlations for a variety of global asset classes, currencies, interest rates, and inflation.
- These assumptions are created using a combination of historical analysis, future market environment expectations and by applying our own judgment. In certain cases, alpha and tracking error estimates for a particular asset class are also factored into the assumptions.
- We believe this approach is less biased than using pure historical data, which may be affected by unsustainable trends or permanent material shifts in market conditions.

- The probability distribution graphs and / or tables that follow are meant to provide an overview of the range of possible outcomes for a given variable (e.g., returns, pension contributions, expense) for a given asset allocation.
- The probability distributions are generated using SEI's proprietary modeling tool and simulated capital market behavior.
- Capital market behavior is simulated for 1,000 possible scenarios based on expected performance of each asset class and reflecting current economic conditions. Capital market assumptions such as return, standard deviation and covariances are inputs into this process, combining with model parameters to create market scenarios.
- We use these 1,000 capital market scenarios to create 1,000 output scenarios for each variable being considered.
- A 90% confidence interval should be interpreted as 90% of the projected output variables, falling between the 5% and 95% results, based on SEI Capital Market Assumptions.
- This projection is hypothetical in nature, does not reflect actual investment results and is not a guarantee of future results.

Asset Allocations – Pension Trust Fund

Asset Class	Prior	9/30/14	Recommended
US Large Cap Fundamental Equity	33.0%	31.0%	31.0%
US Small Cap Equity	5.0%	4.0%	4.0%
World Equity ex-US	12.0%	10.0%	10.0%
Emerging Markets Equity	4.0%	4.0%	4.0%
Total Equity Exposure	54.0%	49.0%	49.0%
Diversified Short Term Fixed Income	10.0%	11.0%	11.0%
Short Term Corporate Fixed Income	8.0%	9.0%	-
Limited Duration Bonds	-	-	9.0%
Core Fixed Income	8.0%	9.0%	9.0%
U.S. High Yield	4.0%	5.0%	5.0%
Emerging Markets Debt	6.0%	7.0%	7.0%
Total Fixed Income Exposure	36.0%	41.0%	41.0%
Private Real Estate	10.0%	10.0%	10.0%
Total Alternatives/Other Exposure	10.0%	10.0%	10.0%
Portfolio Metrics (net of fees)			
Expected Return (Long Term)	8.1%	8.0%	8.0%
Standard Deviation	13.6%	13.0%	12.9%
Sharpe Ratio	0.35	0.35	0.36
Risk of Loss (5^{th} Percentile)	-13.2%	-12.5%	-12.4%
Fee Impact	0 bps	0 bps	0 bps

Please see important disclosures at the beginning of this section and at the back of the presentation.

Asset Allocations – Health & Welfare Trust Fund

Asset Class	Current	Recommended
US Large Cap Fundamental Equity	6.0%	6.0%
US Small Cap Equity	4.0%	4.0%
World Equity ex-US	7.0%	7.0%
Emerging Markets Equity	2.0%	2.0%
US Managed Volatility Equity	6.0%	6.0%
Total Equity Exposure	25.0%	25.0%
Diversified Short Term Fixed Income	25.0%	25.0%
Short Term Corporate Fixed Income	20.0%	-
Limited Duration Bonds	-	20.0%
Core Fixed Income	20.0%	20.0%
U.S. High Yield	4.0%	4.0%
Emerging Markets Debt	6.0%	6.0%
Total Fixed Income Exposure	75.0%	75.0%
Total Alternatives/Other Exposure	0.0%	0.0%
Portfolio Metrics (net of fees)		
Expected Return (Long Term)	7.0%	7.1%
Standard Deviation	7.7%	7.5%
Sharpe Ratio	0.39	0.42
Risk of Loss (5^{th} Percentile)	-6.8%	-6.5%
Fee Impact	0 bps	0 bps

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Asset Allocations – Apprentice & Training Fund

Asset Class	Prior	4/30/14	Recommended
US Large Cap Fundamental Equity	6.7%	6.0%	6.0%
US Small Cap Equity	0.7%	4.0%	4.0%
World Equity ex-US	1.0%	7.0%	7.0%
Emerging Markets Equity	1.0%	2.0%	2.0%
US Managed Volatility Equity	2.2%	6.0%	6.0%
Global Managed Volatility Equity	0.4%	-	-
Total Equity Exposure	12.0%	25.0%	25.0%
Diversified Short Term Fixed Income	26.5%	25.0%	25.0%
Short Term Corporate Fixed Income	10.0%	20.0%	-
Limited Duration Bonds	-	-	20.0%
Core Fixed Income	15.0%	20.0%	20.0%
U.S. High Yield	4.5%	4.0%	4.0%
Emerging Markets Debt	8.5%	6.0%	6.0%
Short-Duration Government	23.5%	-	-
Total Fixed Income Exposure	88.0%	75.0%	75.0%
Total Alternatives/Other Exposure	0.0%	0.0%	0.0%
Portfolio Metrics (net of fees)			
Expected Return (Long Term)	6.4%	7.0%	7.1%
Standard Deviation	5.8%	7.7%	7.5%
Sharpe Ratio	0.38	0.39	0.42
Risk of Loss (5^{th} Percentile)	-4.9%	-6.8%	-6.5%
Fee Impact	0 bps	0 bps	0 bps

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Appendix

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Manager changes:

Funds	Manager Addition and Rationale	Manager Termination and Rationale
World Equity Ex-U.S.		**Thornburg Investment Management (September 2014)** Thornburg was removed from the Fund in response to ongoing turnover within the firm's international equity portfolio management team. Assets formerly managed by Thornburg have been reallocated across the existing managers, primarily to Baillie Gifford.

SEI Capital Market Assumptions - Long Term - September 2014

	Compound Return	Risk	Arithmetic Return
Emerging Markets Equity	9.67%	30.27%	14.25%
World Equity ex-US	9.41%	21.83%	11.79%
Core Fixed Income	6.54%	6.62%	6.76%
U.S. High Yield	7.67%	12.75%	8.48%
Emerging Markets Debt	8.75%	15.52%	9.95%
US Small Cap Equity	10.15%	23.44%	12.90%
US Large Cap Fundamental Equity	9.13%	19.09%	10.96%
Short Term Corporate Fixed Income	4.90%	4.07%	4.98%
Diversified Short Term Fixed Income	5.84%	5.56%	5.99%
US Managed Volatility Equity	8.50%	15.20%	9.66%
Limited Duration Bonds	5.60%	2.62%	5.63%
Private Real Estate	7.54%	19.26%	9.39%

Inflation: 2.50%

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SEI Capital Market Assumptions - Long Term - September 2014

Correlations	Emerging Markets Equity	World Equity ex-US	Core Fixed Income	U.S. High Yield	Emerging Markets Debt	US Small Cap Equity	US Large Cap Fundamental Equity	Short Term Corporate Fixed Income	Diversified Short Term Fixed Income	US Managed Volatility Equity	Limited Duration Bonds	Private Real Estate
Emerging Markets Equity	1.00											
World Equity ex-US	0.77	1.00										
Core Fixed Income	0.00	0.19	1.00									
U.S. High Yield	0.60	0.56	0.40	1.00								
Emerging Markets Debt	0.80	0.66	0.50	0.75	1.00							
US Small Cap Equity	0.70	0.80	0.20	0.60	0.60	1.00						
US Large Cap Fundamental Equity	0.75	0.88	0.30	0.60	0.65	0.90	1.00					
Short Term Corporate Fixed Income	0.20	0.19	0.70	0.55	0.35	0.15	0.20	1.00				
Diversified Short Term Fixed Income	0.40	0.38	0.40	0.80	0.50	0.40	0.40	0.85	1.00			
US Managed Volatility Equity	0.75	0.88	0.30	0.60	0.65	0.90	1.00	0.20	0.40	1.00		
Limited Duration Bonds	0.00	0.14	0.92	0.55	0.50	0.10	0.30	0.70	0.40	0.30	1.00	
Private Real Estate	0.50	0.57	0.20	0.65	0.55	0.70	0.65	0.40	0.55	0.65	0.15	1.00

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Disclosure

SIMC develops forward-looking, long-term capital market assumptions for risk, return, and correlations for a variety of global asset classes, interest rates, and inflation. These assumptions are created using a combination of historical analysis, current market environment assessment and by applying our own judgment. In certain cases, alpha and tracking error estimates for a particular asset class are also factored into the assumptions. We believe this approach is less biased than using pure historical data, which is often biased by a particular time period or event.

The asset class assumptions are aggregated into a diversified portfolio, so that each portfolio can then be simulated through time using a monte-carlo simulation approach. This approach enables us to develop scenarios across a wide variety of market environments so that we can educate our clients with regard to the potential impact of market variability over time. Ultimately, the value of these assumptions is not in their accuracy as point estimates, but in their ability to capture relevant relationships and changes in those relationships as a function of economic and market influences.

The projections or other scenarios in this presentation are purely hypothetical and do not represent all possible outcomes. They do not reflect actual investment results and are not guarantees of future results. All opinions and estimates provided herein, including forecast of returns, reflect our judgment on the date of this report and are subject to change without notice. These opinions and analyses involve a number of assumptions which may not prove valid. The performance numbers are not necessarily indicative of the results you would obtain as a client of SIMC.

We believe our approach enables our clients to make more informed decisions related to the selection of their investment strategies.

For more information on how SIMC develops capital market assumptions, please refer to the SEI paper entitled *“Executive Summary: Developing Capital Market Assumptions for Asset Allocation Modeling.”* If you would like further information on the actual assumptions utilized, you may request them from your SEI representative.

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There are risks involved with investing including loss of principal. There is no assurance that the objectives of any strategy or fund will be achieved or will be successful. No investment strategy, including diversification, can protect against market risk or loss. Current and future portfolio holdings are subject to risk. Past performance does not guarantee future results.

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Annual performance is calculated based on monthly return streams, geometrically linked as of the end of the specified month end.

Performance results do not reflect the effect of certain account level advisory fees. The inclusion of such fees would reduce account level performance, particularly when compounded over a period of years. The following hypothetical illustration shows the compound effect fees have on investment return: For an account charged 1% with a stated annual return of 10%, the net total return before taxes would be reduced from 10% to 9%. A ten year investment of $100,000 at 10% would grow to $259,374, and at 9%, to $236,736 before taxes. For a complete description of all fees and expenses, please refer to SIMC’s Form ADV Part 2A, the investment management agreement between SIMC and each client, and quarterly client invoices.

Certain economic and market information contained herein has been obtained from published sources prepared by other parties, which in certain cases have not been updated through the date hereof. While such sources are believed to be reliable, neither SEI nor its affiliates assumes any responsibility for the accuracy or completeness of such information and such information has not been independently verified by SEI.

Index returns are for illustrative purposes only and do not represent actual portfolio performance. Index performance returns do not reflect any management fees, transaction costs, or expenses, which would reduce returns. Indexes are unmanaged and one cannot invest directly in an index.

Important information

As identified in the presentation, certain funds are collective trust funds, not mutual funds. A collective trust fund is an investment fund that is maintained by a bank or trust company for the collective investment of qualified retirement plans and governmental plans, and that is exempt from SEC registration as an investment company under Section 3(c)(11) of the Investment Company Act of 1940. Collective trust funds eliminate many of the administrative costs associated with institutional and retail mutual funds.

The collective investment trusts identified in this presentation are managed by SEI Trust Company (STC), the trustee, based on the investment advice of one or more third party managers, which may include SIMC. STC is also a wholly owned subsidiary of SEI Investments Company.

For more information on the collective trust funds, including fees and expenses, please read the disclosure document for the trust.

There is no guarantee that the investment objective will be fulfilled. If the fund is a target date fund, the principal balance of the portfolio may be depleted prior to a portfolio's target end-date and, therefore, distributions may end earlier than expected. This risk increases if the distribution amount chosen is a significant portion of the starting principal. The target date represents the respective date when an investor intends to withdraw funds for retirement. Principal of any target date fund is not guaranteed at any time, including the target date. The projected time periods do not take into account the payment of fees to the advisor out of the portfolio or any other additional distribution from the account.

SEI New ways. New answers.®

International Union of Operating Engineers Local 487 Pension Trust Fund

INVESTMENT POLICY STATEMENT
<u>11/12/13</u>

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INTRODUCTION

This document establishes the Investment Policy Statement ("Investment Policy") for the International Union of Operating Engineers Local 487 Pension Trust Fund (the "Plan"). The Board of Trustees of the Pension Trust Fund ("Board of Trustees") is responsible for managing the investment process of the Plan in a prudent manner with regard to preserving principal while providing reasonable returns.

The Board of Trustees has arrived at this Investment Policy through careful study of the returns and risks associated with alternative investment strategies in relation to the current and projected liabilities of the Plan, after consulting with such outside Investment Manager (as defined below) as is deemed appropriate. This Investment Policy has been chosen as the most appropriate policy for achieving the financial objectives of the Plan which are described in the "Statement of Objectives" section of this document; however, the Board of Trustees shall be free to deviate from this Investment Policy when it concludes that it is prudent and in the interest of the Plan to do so and may amend the Investment Policy at any time.

The Board of Trustees has adopted a long-term investment horizon such that the chances and duration of investment losses are carefully weighed against the long term potential for appreciation of assets.

In addition to the Investment Policy defined herein, the management of the Plan will be in compliance with all provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Investment Advisers Act of 1940 and other applicable laws.

DUTIES AND RESPONSIBILITIES

The Board of Trustees is responsible for managing the investment process in a prudent manner with regard to preserving principal while providing reasonable returns. In carrying out these duties, the Board of Trustees has retained an Investment Manager, SEI Investments Management Corporation (the "Investment Manager"), to assist in managing the assets of the Plan. The Investment Manager's role is to provide guidance to the Board of Trustees on matters pertaining to the investment of Plan assets including Investment Policy, investment selection, monitoring the Plan's performance and compliance with the Investment Policy. All decisions pertaining to the Investment Policy and guidelines for the Investment Policy's implementation will be made by the Board of Trustees. The Investment Manager, in carrying out the Investment Policy defined in this document, has authority and responsibility to select appropriate investments in the specific asset classes mandated by this Investment Policy, in accordance with (and subject to) the terms of an terms of the investment management agreement dated 5/27/2010 executed between the Investment Manager and the Plan (the "Investment Management Agreement").

Duties and responsibilities are described in detail below.

Board of Trustees

The Board of Trustees will retain a qualified Investment Manager to assist in the development and implementation of the Investment Policy and guidelines.

The Board of Trustees will establish the Investment Policy of the Plan. This includes, but is not limited to, allocation between equity and fixed income assets, selection of acceptable asset classes and investment performance expectations. The Board of Trustees periodically will review the Investment Policy.

The Board of Trustees will regularly review the investment performance of the Plan including the performance of the Investment Manager to assure the Investment Policy is being followed and progress is being made toward achieving the objectives.

Investment Manager

The Investment Manager retained by the Board of Trustees will assist the Board of Trustees in establishing the Investment Policy and guidelines contained in this Investment Policy.

In accordance with the terms of the Investment Management Agreement, the Investment Manager will be responsible for managing the asset allocation, determining investment strategy and implementing security selection decisions through the investment sub-advisors for the mutual funds managed by the Investment Manager, within the

Investment Policy and as otherwise provided by the Board of Trustees. The Investment Manager will monitor asset allocation across and among asset classes.

The Investment Manager will monitor investment performance of the Plan. Performance reports will be provided to the Board of Trustees quarterly. The Investment Manager will report in a timely manner any substantive developments that may affect the management of Plan assets.

STATEMENT OF OBJECTIVES

ERISA Compliance

The assets of the Plan will be invested in accordance with all applicable laws in a manner consistent with fiduciary standards including ERISA (if applicable). Specifically:

1. The safeguards and diversity that a prudent investor would adhere to must be present in the investment program.
2. All transactions undertaken on behalf of the Plan must be in the best interest of plan participants and their beneficiaries.

Primary Plan Objective

The primary objective of the Plan is to provide a source of retirement income for its participants and beneficiaries. The financial objectives of the Plan have been established in conjunction with a comprehensive review of the current and projected financial requirements.

Plan Financial Objectives

The primary financial objective of the Plan is to improve the funded status of the Plan. A secondary financial objective is, where possible, to minimize pension expense volatility. The objective is based on a long-term investment horizon, so that interim fluctuations should be viewed with appropriate perspective. It should be recognized that this is a union sensitive plan. If an opportunity for investment exists in a company that favors union practices that the Investment Manager is aware of, then that security should be considered more advantageous to the plan, as long as the following requirements are met: 1) the union sensitive security has an expected rate of return that is commensurate to rates of return of alternative investments with similar risk characteristics that are available to the plan; 2) the union sensitive security is otherwise a prudent investment for the plan in terms of diversification; liquidity, and risk/return objectives of the plan and the requirements of these investment guidelines, and 3) the investment otherwise satisfies the requirements of DOL Interpretive Bulletin 94-1 to the extent that such interpretive bulletin is valid relating to economically targeted investments.

There can be no assurance that these objectives will be met.

The desired investment objective is a long-term expected rate above the actuarial assumption rate. The target rate of return for the Plan has been based upon an analysis of historical returns supplemented with an economic and structural review for each asset class. The Board of Trustees realizes that market performance varies and that long term expected rates of return may not be meaningful during some periods. The Board of Trustees also realizes and agrees that historical performance is no guarantee of future performance.

STATEMENT OF INVESTMENT POLICY

Asset Allocation Targets

It will be the policy of the Plan to invest assets with an allocation as shown below.

Asset Class	Target Allocation	Permitted Variance
Equity	54%	+/- 10%
Fixed Income	36%	+/- 10%
Real Estate	10%	+/- 5%

Any equity or fixed income holding resulting in a 20% loss from cost must be documented in writing to the Trustees as to your initial reasons for purchase as well as your reasons for continued retention.

Within each asset class, assets will be invested in accordance with the Guidelines set out below. The investments selected by the Investment Manager in accordance with this Investment Policy may include a small portion of total assets in cash reserves when deemed appropriate. However, the investments will be evaluated against their appropriate benchmarks on the performance of the total funds under management.

In accordance with the terms of the Investment Management Agreement, Manager will retain discretion with respect to the SEI mutual funds utilized by Manager to implement the Strategy. Additionally, Investment Manager will retain discretion with respect to modifications required to the asset allocation identified above. In the event the Investment Manager exercises its discretion as noted in this paragraph, Investment Manager will develop and adopt a revised draft Investment Policy Statement on behalf of the Fund. Investment Manager shall notify the Board as soon as practicable after implementing any change to the asset allocation or the SEI Funds used to implement the asset allocation as soon as practicable.

Adherence to Policy Targets and Rebalancing

The asset allocation established by this Investment Policy represents a long-term perspective. As such, rapid unanticipated market shifts or changes in economic conditions may cause the asset mix to fall outside of the policy range. Generally, these divergences should be of a short-term nature.

To ensure that divergence from the target policy is within acceptable limits, rebalancing of assets may be necessary. Rebalancing procedures are authorized by the Committee for the portion of Fund assets managed by the Investment Manager in accordance with the Investment Management Agreement.

Generally, rebalancing among funds may occur on a quarterly basis for the registered investment companies (i.e., mutual funds),hedge funds and private equity (as applicable, if required) to ensure that the target asset allocation specified in this Investment Policy is maintained within acceptable ranges as determined by the Investment Manager. The Investment Manager will identify the amount of assets that must be reallocated in order to bring the Plan back into compliance with this Investment Policy and will issue the necessary instructions for the transfer of funds.

Notwithstanding the foregoing, under certain circumstances, the Investment Manager may (i) make tactical investment decisions for the Fund in accordance with the terms of the target variance noted above, (ii) modify the target variance(s) applicable to the strategy, (iii) modify its standard rebalancing operating procedures, and/or (iv) suspend some or all of the rebalancing procedures affecting the strategy. Investment Manager shall only modify or suspend its rebalancing procedures as outlined in this paragraph if it has prudently determined that such suspension is in the best interest of the Plan, its participants and beneficiaries in its reasonable sole discretion. If the Investment Manager has suspended it rebalancing procedures applicable to the Plan, the Investment Manager shall seek to notify the Board of Trustees as promptly as possible of such decision.

Investment Securities and Diversification

As described in the Investment Management Agreement, the Investment Manager implements this Investment Policy through investments in mutual funds and other pooled asset portfolios. It is the responsibility of the Manager to provide a prospectus (or other offering documents) for each investment and the responsibility of the Board of Trustees to read and understand the information contained in the prospectus.

Mutual funds may use shorting strategies as outlined in the prospectus. Further, certain mutual funds may participate in securities lending as determined by the prospectus (or other offering documents). Such investments are acceptable investments provided they conform to the diversification restrictions set forth below.

Investments will be diversified within asset classes with the intent to minimize the risk of large losses to the Plan. The portfolio includes mutual funds that are managed in accordance with the diversification and industry concentration restrictions set forth in the Investment Company Act of 1940, as amended (the "1940 Act"). Pursuant to the provisions of the 1940 Act, a mutual fund may not, with respect to 75% of its assets, (i) purchase securities of any issuer (except securities issued or guaranteed by the United States Government, its agencies or instrumentalities) if, as a result, more than 5% of its total assets would be invested in the securities of such issuer; or (ii) acquire more than 10% of the outstanding voting securities of any one issuer. This restriction does not apply to the International Fixed Income Fund or the Emerging Markets Debt Fund.

In addition, no mutual fund may purchase any securities which would cause more than 25% of its total assets to be invested in the securities of one or more issuers conducting their principal business activities in the same industry, provided that this limitation does not apply to investments in securities issued or guaranteed by the United States Government, its agencies or instrumentalities.

Guidelines for Portfolio Holdings

Domestic Equity:
The Domestic Equity portion of the portfolio will consist primarily of equity securities of companies that are listed on registered exchanges or actively traded in the over the counter market. The equity portion may also be invested in securities that are not readily marketable (illiquid and restricted securities), receipts, securities issued by investment companies, warrants, repurchase agreements, convertible securities and US dollar denominated securities of foreign issuers that are traded on registered exchanges or listed on NASDAQ. A portion of the equity portfolio may also be invested in fixed income securities that are rated investment grade or better, i.e., rated in one of the four highest rating categories by a nationally recognized statistical rating organization ("NRSRO"), or, if not rated, determined to be of comparable quality by the Investment Adviser or a mutual fund sub-adviser. The Investment Advisor will equitize cash to remain as fully invested as possible.

Non-U.S. Equity:
The non-U.S. equity portion of the portfolio will consist primarily of equity securities (common stocks, securities that are convertible into common stocks, preferred stocks, warrants and rights to subscribe to common stocks) of non-U.S. issuers purchased in foreign markets, on U.S. or foreign registered exchanges, or the over-the-counter markets. The issuers of the securities are located in countries other than the United States, including emerging market countries. Additionally, the portfolio may seek to enhance returns by active management of currency exposure. This strategy may involve taking long and short positions using futures, foreign currency forward contracts, foreign currencies and other derivatives. The portfolio may also engage in currency transactions in an attempt to take advantage of certain inefficiencies in the currency exchange market, to increase the exposure to a foreign currency or to shift exposure to foreign currency fluctuations from one currency to another. Any remaining assets may be invested in fixed income securities of emerging market governments and companies. Certain securities issued by governments of emerging market countries are, or may be, eligible for conversion into investments in emerging market companies under debt conversion programs sponsored by such governments.

A portion of the portfolio's assets may be invested in securities that are rated below investment grade, U.S. or non-U.S. cash reserves and money market instruments, repurchase agreements, securities that are not readily marketable, obligations of supranational entities, American Depository Receipts, European Depository Receipts and investment company securities including securities issued by foreign investment companies.

Domestic Fixed Income:
The investment grade portion of the domestic fixed income portfolio will consist primarily of fixed income securities that are rated investment grade or better, i.e., rated in one of the four highest rating categories by an NRSRO at the time of purchase, or, if not rated are determined to be of comparable quality by the Investment Adviser or a mutual fund sub-adviser. The portfolio may invest in traditional fixed income securities, such as bonds and debentures, issued by domestic and foreign private and governmental issuers, including mortgage-backed and asset-backed securities. In addition, the portfolio may also contain structured securities that make interest and principal payments based upon the performance of specified assets or indices. Structured securities include mortgage-backed securities such as pass-through certificates, collateralized mortgage obligations and interest and principal only components of mortgage-backed securities. Other investments include mortgage dollar roll transactions, Yankee obligations and obligations of supranational entities.

The high yield portion of the domestic fixed income portfolio will consist primarily of fixed income securities that are rated below investment grade, i.e., rated below the top four rating categories by a NRSRO at the time of purchase, or, if not rated, determined to be of comparable quality by the Investment Adviser or a mutual fund sub-adviser. There is no bottom limit on the ratings of high yield securities that may be purchased and held in the portfolio. Any remaining assets may be invested in equity, investment grade fixed income and money market securities.

Non U.S. Fixed Income:
The non-U.S. investment grade portion of the fixed income portfolio will consist primarily of securities of non-U.S. issuers located in at least three countries other than the United States. Any remaining assets may be invested in obligations issued or guaranteed as to principal and interest by the U.S. Government, its agencies or instrumentalities and preferred stocks. The non-U.S. investment grade portion will concentrate its investments in developed countries.

Non-U.S. investment grade fixed income securities will be traditional fixed income securities, such as bonds and debentures, and will be issued by foreign private and governmental issuers and may include mortgage-backed and asset-backed securities. The portfolio may also contain structured securities that derive interest and principal payments from specified assets or indices. The portfolio will be comprised primarily of investment grade securities denominated in various currencies, including the European Currency Unit. Investment grade securities are rated in one of the highest four rating categories by an NRSRO, or, if not rated, determined to be of comparable quality as determined by the Investment Adviser or a mutual fund sub-adviser.

The emerging debt portion of the portfolio will consist primarily of debt securities of government, government - related and corporate issuers in emerging market countries and of entities organized to restructure outstanding debt of such issuers. Investments will be made in emerging debt securities which are primarily rated below investment grade by internationally recognized credit rating organizations, or, if not rated, determined to be of comparable quality as determined by the Investment Adviser or a mutual fund sub-adviser. While there is no limit on the percentage invested in non-US dollar denominated assets, it is expected that the majority of the emerging debt assets will be denominated in U.S. dollars or hedged back to the U.S. dollar.

Core Property:
The Property strategy will pursue its investment objective by utilizing a "fund of funds" approach, which includes investments in various investment funds that invest directly in commercial real estate properties, such as real estate investment trusts ("REITS"), hedge funds, private equity funds, hybrid funds and any other "alternative" investment funds (collectively, "Underlying Funds"). The primary investments will be in domestic, open-end funds focused on core real estate properties. Core real estate properties are high-quality, income-generating office and industrial properties, leased or pre-leased to creditworthy companies and governmental entities. The strategy is also permitted to invest in less liquid strategies and properties focused on value-added and opportunistic real estate opportunities. Value-added and opportunistic investment strategies offer the potential for higher returns, often entail some amount of illiquidity, and are typically perceived as having a higher risk profile than core investment strategies.

Cash Equivalent Reserves
The investments selected by the Investment Adviser in accordance with this Investment Policy Statement may include a small portion of total assets in cash reserves when deemed appropriate.

Cash equivalent reserves will consist of money market securities such as high quality, short-term debt instruments. They include: (i) bankers' acceptances, certificates of deposits, notes and time deposits of highly-rated U.S. and foreign banks; (ii) U.S. Treasury obligations and obligations issued or guaranteed by the agencies and instrumentalities of the U.S. Government; (iii) high-quality commercial paper issued by U.S. and foreign corporations; (iv) debt obligations with a maturity of one year or less issued by corporations with outstanding high-quality commercial paper; (v) repurchase agreements involving any of the foregoing obligations entered into with highly-rated banks and broker-dealers; and (vi) foreign government obligations.

Volatility
Consistent with the desire for adequate diversification, the investment policy is based on the assumption that the volatility of the combined equity investment will be similar to that of the market opportunity available to institutional

investors with similar return objectives. The volatility of fixed income portfolios may be greater than the market during periods when the portfolio duration exceeds that of the market.

Proxy Statements
Proxies, tender offers and the like will be voted in accordance with the terms of the Investment Management Agreement.

Execution of Security Trades
The Plan expects the purchase and sale of its securities to be made in a manner designed to receive the combination of best price and execution. The Board of Trustees recognizes that mutual fund shares are purchased and sold at the net asset value next determined after receipt of the order and that accordingly, best price and execution may not be applicable to such transactions.

CONTROL PROCEDURES

Review of Liabilities
All major liability assumptions regarding number of participants, compensation, benefit levels and actuarial assumptions will be subject to an annual review by the Board of Trustees. This review will focus on an analysis of major differences between the Plan's assumptions and actual experience.

Review of Investment Objectives
Investment performance will be reviewed annually to determine the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy for achieving these objectives. In addition, the validity of the stated objective will be reviewed annually.

It is not expected that the Investment Policy will change frequently. In particular, short-term changes in the financial markets should not require an adjustment to the Investment Policy.

Review of Investment Manager and Investments
The Investment Manager will report on a quarterly basis to review the total Plan investment performance.

The Investment Manager will be responsible for keeping the Board of Trustees advised of any material change in its personnel, the investment strategy, or other pertinent information potentially affecting performance of all investments.

Performance reviews will focus on:

- Comparison of investment results to appropriate benchmarks, as well as market index returns in both equity and debt markets.
- Investment adherence to this Investment Policy and guidelines.
- Material changes in the investment organizations, such as in investment philosophy and personnel, etc.

Performance Expectations
The most important performance expectation is the achievement of long-term investment results that are consistent with the Plan's Investment Policy. Implementation of the policy will be directed toward achieving this return and not toward maximizing return without regard to risk.

The Board of Trustees recognizes that this real return objective may not be meaningful during some time periods. In order to ensure that investment opportunities available over a specific time period are fairly evaluated, comparative performance statistics (including benchmark indices) will be used to evaluate investment results.

ADOPTION OF INVESTMENT POLICY STATEMENT

The Board of Trustees or the International Union of Operating Engineers Local 487 Pension Trust Fund has reviewed, approved and adopted this Investment Policy Statement, dated 11/12/13, prepared with the assistance of SEI Investments Management Corporation.

Mark Ach

Signature

11-28-13

Date

International Union of Operating Engineers Local 487 Health & Welfare Plan

INVESTMENT POLICY STATEMENT

11/12/13

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INTRODUCTION

This document establishes the Investment Policy Statement ("Investment Policy") for the International Union of Operating Engineers Local 487 Health and Welfare Plan (the "Plan"). The Board of Trustees of the Health and Welfare Plan ("Board of Trustees") is responsible for managing the investment process of the Plan in a prudent manner with regard to preserving principal while providing reasonable returns.

The Board of Trustees has arrived at this Investment Policy through careful study of the returns and risks associated with alternative investment strategies in relation to the current and projected liabilities of the Plan, after consulting with such outside Investment Manager (as defined below) as is deemed appropriate. This Investment Policy has been chosen as the most appropriate policy for achieving the financial objectives of the Plan which are described in the "Statement of Objectives" section of this document; however, the Board of Trustees shall be free to deviate from this Investment Policy when it concludes that it is prudent and in the interest of the Plan to do so and may amend the Investment Policy at any time.

The Board of Trustees has adopted a long-term investment horizon such that the chances and duration of investment losses are carefully weighed against the long term potential for appreciation of assets.

In addition to the Investment Policy defined herein, the management of the Plan will be in compliance with all provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Investment Advisers Act of 1940 and other applicable laws.

DUTIES AND RESPONSIBILITIES

The Board of Trustees is responsible for managing the investment process in a prudent manner with regard to preserving principal while providing reasonable returns. In carrying out these duties, the Board of Trustees has retained an Investment Manager, SEI Investments Management Corporation (the "Investment Manager"), to assist in managing the assets of the Plan. The Investment Manager's role is to provide guidance to the Board of Trustees on matters pertaining to the investment of Plan assets including Investment Policy, investment selection, monitoring the Plan's performance and compliance with the Investment Policy. All decisions pertaining to the Investment Policy and guidelines for the Investment Policy's implementation will be made by the Board of Trustees. The Investment Manager, in carrying out the Investment Policy defined in this document, has authority and responsibility to select appropriate investments in the specific asset classes mandated by this Investment Policy, in accordance with (and subject to) the terms of an terms of the investment management agreement dated 5/27/2010 executed between the Investment Manager and the Plan (the "Investment Management Agreement").

Duties and responsibilities are described in detail below.

Board of Trustees

The Board of Trustees will retain a qualified Investment Manager to assist in the development and implementation of the Investment Policy and guidelines.

The Board of Trustees will establish the Investment Policy of the Plan. This includes, but is not limited to, allocation between equity and fixed income assets, selection of acceptable asset classes and investment performance expectations. The Board of Trustees periodically will review the Investment Policy.

The Board of Trustees will regularly review the investment performance of the Plan including the performance of the Investment Manager to assure the Investment Policy is being followed and progress is being made toward achieving the objectives.

Investment Manager

The Investment Manager retained by the Board of Trustees will assist the Board of Trustees in establishing the Investment Policy and guidelines contained in this Investment Policy.

In accordance with the terms of the Investment Management Agreement, the Investment Manager will be responsible for managing the asset allocation, determining investment strategy and implementing security selection decisions through the investment sub-advisors for the mutual funds managed by the Investment Manager, within the

Investment Policy and as otherwise provided by the Board of Trustees. The Investment Manager will monitor asset allocation across and among asset classes.

The Investment Manager will monitor investment performance of the Plan. Performance reports will be provided to the Board of Trustees quarterly. The Investment Manager will report in a timely manner any substantive developments that may affect the management of Plan assets.

STATEMENT OF OBJECTIVES

ERISA Compliance

The assets of the Plan will be invested in accordance with all applicable laws in a manner consistent with fiduciary standards including ERISA (if applicable). Specifically:

1. The safeguards and diversity that a prudent investor would adhere to must be present in the investment program.
2. All transactions undertaken on behalf of the Plan must be in the best interest of plan participants and their beneficiaries.

Primary Plan Objective

The primary objective of the Plan is preservation of capital and long term growth. The financial objectives of the Plan have been established in conjunction with a comprehensive review of the current and projected financial requirements.

Plan Financial Objectives

The primary financial objective of the Plan is preservation of capital and long term growth. The objective is based on a long-term investment horizon, so that interim fluctuations should be viewed with appropriate perspective. It should be recognized that this is a union sensitive plan. If an opportunity for investment exists in a company that favors union practices that the Investment Manager is aware of, then that security should be considered more advantageous to the plan, as long as the following requirements are met: 1) the union sensitive security has an expected rate of return that is commensurate to rates of return of alternative investments with similar risk characteristics that are available to the plan; 2) the union sensitive security is otherwise a prudent investment for the plan in terms of diversification; liquidity, and risk/return objectives of the plan and the requirements of these investment guidelines, and 3) the investment otherwise satisfies the requirements of DOL Interpretive Bulletin 94-1 to the extent that such interpretive bulletin is valid relating to economically targeted investments.

There can be no assurance that these objectives will be met.

The desired investment objective is a long-term expected rate above the actuarial assumption rate. The target rate of return for the Plan has been based upon an analysis of historical returns supplemented with an economic and structural review for each asset class. The Board of Trustees realizes that market performance varies and that long term expected rates of return may not be meaningful during some periods. The Board of Trustees also realizes and agrees that historical performance is no guarantee of future performance.

STATEMENT OF INVESTMENT POLICY

Asset Allocation Targets

It will be the policy of the Plan to invest assets with an allocation as shown below.

Asset Class	Target Allocation	Permitted Variance
Equity	25%	+/- 10%
Fixed Income	75%	+/- 10%

Any equity or fixed income holding resulting in a 20% loss from cost must be documented in writing to the Trustees as to your initial reasons for purchase as well as your reasons for continued retention.

Within each asset class, assets will be invested in accordance with the Guidelines set out below. The investments selected by the Investment Manager in accordance with this Investment Policy may include a small portion of total assets in cash reserves when deemed appropriate. However, the investments will be evaluated against their appropriate benchmarks on the performance of the total funds under management.

In accordance with the terms of the Investment Management Agreement, Manager will retain discretion with respect to the SEI mutual funds utilized by Manager to implement the Strategy. Additionally, Investment Manager will retain discretion with respect to modifications required to the asset allocation identified above. In the event the Investment Manager exercises its discretion as noted in this paragraph, Investment Manager will develop and adopt a revised draft Investment Policy Statement on behalf of the Fund. Investment Manager shall notify the Board as soon as practicable after implementing any change to the asset allocation or the SEI Funds used to implement the asset allocation as soon as practicable.

Adherence to Policy Targets and Rebalancing

The asset allocation established by this Investment Policy represents a long-term perspective. As such, rapid unanticipated market shifts or changes in economic conditions may cause the asset mix to fall outside of the policy range. Generally, these divergences should be of a short-term nature.

To ensure that divergence from the target policy is within acceptable limits, rebalancing of assets may be necessary. Rebalancing procedures are authorized by the Committee for the portion of Fund assets managed by the Investment Manager in accordance with the Investment Management Agreement.

Generally, rebalancing among funds may occur on a quarterly basis for the registered investment companies (i.e., mutual funds), hedge funds, and private equity (as applicable, if required) to ensure that the target asset allocation specified in this Investment Policy is maintained within acceptable ranges as determined by the Investment Manager. The Investment Manager will identify the amount of assets that must be reallocated in order to bring the Plan back into compliance with this Investment Policy and will issue the necessary instructions for the transfer of funds.

Notwithstanding the foregoing, under certain circumstances, the Investment Manager may (i) make tactical investment decisions for the Fund in accordance with the terms of the target variance noted above, (ii) modify the target variance(s) applicable to the strategy, (iii) modify its standard rebalancing operating procedures, and/or (iv) suspend some or all of the rebalancing procedures affecting the strategy. Investment Manager shall only modify or suspend its rebalancing procedures as outlined in this paragraph if it has prudently determined that such suspension is in the best interest of the Plan, its participants and beneficiaries in its reasonable sole discretion. If the Investment Manager has suspended it rebalancing procedures applicable to the Plan, the Investment Manager shall seek to notify the Board of Trustees as promptly as possible of such decision.

Investment Securities and Diversification

As described in the Investment Management Agreement, the Investment Manager implements this Investment Policy through investments in mutual funds and other pooled asset portfolios. It is the responsibility of the Manager to provide a prospectus (or other offering documents) for each investment and the responsibility of the Board of Trustees to read and understand the information contained in the prospectus.

Mutual funds may use shorting strategies as outlined in the prospectus. Further, certain mutual funds may participate in securities lending as determined by the prospectus (or other offering documents). Such investments are acceptable investments provided they conform to the diversification restrictions set forth below.

Investments will be diversified within asset classes with the intent to minimize the risk of large losses to the Plan. The portfolio includes mutual funds that are managed in accordance with the diversification and industry concentration restrictions set forth in the Investment Company Act of 1940, as amended (the "1940 Act"). Pursuant to the provisions of the 1940 Act, a mutual fund may not, with respect to 75% of its assets, (i) purchase securities of any issuer (except securities issued or guaranteed by the United States Government, its agencies or instrumentalities) if, as a result, more than 5% of its total assets would be invested in the securities of such issuer; or (ii) acquire more than 10% of the outstanding voting securities of any one issuer. This restriction does not apply to the International Fixed Income Fund or the Emerging Markets Debt Fund.

In addition, no mutual fund may purchase any securities which would cause more than 25% of its total assets to be invested in the securities of one or more issuers conducting their principal business activities in the same industry, provided that this limitation does not apply to investments in securities issued or guaranteed by the United States Government, its agencies or instrumentalities.

Guidelines for Portfolio Holdings

Domestic Equity:
The Domestic Equity portion of the portfolio will consist primarily of equity securities of companies that are listed on registered exchanges or actively traded in the over the counter market. The equity portion may also be invested in securities that are not readily marketable (illiquid and restricted securities), receipts, securities issued by investment companies, warrants, repurchase agreements, convertible securities and US dollar denominated securities of foreign issuers that are traded on registered exchanges or listed on NASDAQ. A portion of the equity portfolio may also be invested in fixed income securities that are rated investment grade or better, i.e., rated in one of the four highest rating categories by a nationally recognized statistical rating organization ("NRSRO"), or, if not rated, determined to be of comparable quality by the Investment Adviser or a mutual fund sub-adviser. The Investment Advisor will equitize cash to remain as fully invested as possible.

Non-U.S. Equity:
The non-U.S. equity portion of the portfolio will consist primarily of equity securities (common stocks, securities that are convertible into common stocks, preferred stocks, warrants and rights to subscribe to common stocks) of non-U.S. issuers purchased in foreign markets, on U.S. or foreign registered exchanges, or the over-the-counter markets. The issuers of the securities are located in countries other than the United States, including emerging market countries. Additionally, the portfolio may seek to enhance returns by active management of currency exposure. This strategy may involve taking long and short positions using futures, foreign currency forward contracts, foreign currencies and other derivatives. The portfolio may also engage in currency transactions in an attempt to take advantage of certain inefficiencies in the currency exchange market, to increase the exposure to a foreign currency or to shift exposure to foreign currency fluctuations from one currency to another. Any remaining assets may be invested in fixed income securities of emerging market governments and companies. Certain securities issued by governments of emerging market countries are, or may be, eligible for conversion into investments in emerging market companies under debt conversion programs sponsored by such governments.

A portion of the portfolio's assets may be invested in securities that are rated below investment grade, U.S. or non-U.S. cash reserves and money market instruments, repurchase agreements, securities that are not readily marketable, obligations of supranational entities, American Depository Receipts, European Depository Receipts and investment company securities including securities issued by foreign investment companies.

Domestic Fixed Income:
The investment grade portion of the domestic fixed income portfolio will consist primarily of fixed income securities that are rated investment grade or better, i.e., rated in one of the four highest rating categories by an NRSRO at the time of purchase, or, if not rated are determined to be of comparable quality by the Investment Adviser or a mutual fund sub-adviser. The portfolio may invest in traditional fixed income securities, such as bonds and debentures, issued by domestic and foreign private and governmental issuers, including mortgage-backed and asset-backed securities. In addition, the portfolio may also contain structured securities that make interest and principal payments based upon the performance of specified assets or indices. Structured securities include mortgage-backed securities such as pass-through certificates, collateralized mortgage obligations and interest and principal only components of mortgage-backed securities. Other investments include mortgage dollar roll transactions, Yankee obligations and obligations of supranational entities.

Non U.S. Fixed Income:
The emerging debt portion of the portfolio will consist primarily of debt securities of government, government - related and corporate issuers in emerging market countries and of entities organized to restructure outstanding debt of such issuers. Investments will be made in emerging debt securities which are primarily rated below investment grade by internationally recognized credit rating organizations, or, if not rated, determined to be of comparable

quality as determined by the Investment Adviser or a mutual fund sub-adviser. While there is no limit on the percentage invested in non-US dollar denominated assets, it is expected that the majority of the emerging debt assets will be denominated in U.S. dollars or hedged back to the U.S. dollar.

Cash Equivalent Reserves
The investments selected by the Investment Adviser in accordance with this Investment Policy Statement may include a small portion of total assets in cash reserves when deemed appropriate.

Cash equivalent reserves will consist of money market securities such as high quality, short-term debt instruments. They include: (i) bankers' acceptances, certificates of deposits, notes and time deposits of highly-rated U.S. and foreign banks; (ii) U.S. Treasury obligations and obligations issued or guaranteed by the agencies and instrumentalities of the U.S. Government; (iii) high-quality commercial paper issued by U.S. and foreign corporations; (iv) debt obligations with a maturity of one year or less issued by corporations with outstanding high-quality commercial paper; (v) repurchase agreements involving any of the foregoing obligations entered into with highly-rated banks and broker-dealers; and (vi) foreign government obligations.

Volatility
Consistent with the desire for adequate diversification, the investment policy is based on the assumption that the volatility of the combined equity investment will be similar to that of the market opportunity available to institutional investors with similar return objectives. The volatility of fixed income portfolios may be greater than the market during periods when the portfolio duration exceeds that of the market.

Proxy Statements
Proxies, tender offers and the like will be voted in accordance with the terms of the Investment Management Agreement.

Execution of Security Trades
The Plan expects the purchase and sale of its securities to be made in a manner designed to receive the combination of best price and execution. The Board of Trustees recognizes that mutual fund shares are purchased and sold at the net asset value next determined after receipt of the order and that accordingly, best price and execution may not be applicable to such transactions.

CONTROL PROCEDURES

Review of Liabilities
All major liability assumptions regarding number of participants, compensation, benefit levels and actuarial assumptions will be subject to an annual review by the Board of Trustees. This review will focus on an analysis of major differences between the Plan's assumptions and actual experience.

Review of Investment Objectives
Investment performance will be reviewed annually to determine the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy for achieving these objectives. In addition, the validity of the stated objective will be reviewed annually.

It is not expected that the Investment Policy will change frequently. In particular, short-term changes in the financial markets should not require an adjustment to the Investment Policy.

Review of Investment Manager and Investments
The Investment Manager will report on a quarterly basis to review the total Plan investment performance.

The Investment Manager will be responsible for keeping the Board of Trustees advised of any material change in its personnel, the investment strategy, or other pertinent information potentially affecting performance of all investments.

Performance reviews will focus on:

- Comparison of investment results to appropriate benchmarks, as well as market index returns in both equity and debt markets.
- Investment adherence to this Investment Policy and guidelines.
- Material changes in the investment organizations, such as in investment philosophy and personnel, etc.

Performance Expectations

The most important performance expectation is the achievement of long-term investment results that are consistent with the Plan's Investment Policy. Implementation of the policy will be directed toward achieving this return and not toward maximizing return without regard to risk.

The Board of Trustees recognizes that this real return objective may not be meaningful during some time periods. In order to ensure that investment opportunities available over a specific time period are fairly evaluated, comparative performance statistics (including benchmark indices) will be used to evaluate investment results.

ADOPTION OF INVESTMENT POLICY STATEMENT

The Board of Trustees or the International Union of Operating Engineers Local 487 Health and Welfare Plan has reviewed, approved and adopted this Investment Policy Statement, dated 11/12/13, prepared with the assistance of SEI Investments Management Corporation.

Mark Ach | 11-20-13

Signature | *Date*

South Florida Operating Engineers Apprentice & Training Fund

INVESTMENT POLICY STATEMENT
<u>4/2/14</u>

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INTRODUCTION

This document establishes the Investment Policy Statement ("Investment Policy") for the South Florida Operating Engineers Apprentice and Training Plan (the "Plan"). The Board of Trustees of the Apprentice and Training Plan ("Board of Trustees") is responsible for managing the investment process of the Plan in a prudent manner with regard to preserving principal while providing reasonable returns.

The Board of Trustees has arrived at this Investment Policy through careful study of the returns and risks associated with alternative investment strategies in relation to the current and projected liabilities of the Plan, after consulting with such outside Investment Manager (as defined below) as is deemed appropriate. This Investment Policy has been chosen as the most appropriate policy for achieving the financial objectives of the Plan which are described in the "Statement of Objectives" section of this document; however, the Board of Trustees shall be free to deviate from this Investment Policy when it concludes that it is prudent and in the interest of the Plan to do so and may amend the Investment Policy at any time.

The Board of Trustees has adopted a long-term investment horizon such that the chances and duration of investment losses are carefully weighed against the long term potential for appreciation of assets.

In addition to the Investment Policy defined herein, the management of the Plan will be in compliance with all provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Investment Advisers Act of 1940 and other applicable laws.

DUTIES AND RESPONSIBILITIES

The Board of Trustees is responsible for managing the investment process in a prudent manner with regard to preserving principal while providing reasonable returns. In carrying out these duties, the Board of Trustees has retained an Investment Manager, SEI Investments Management Corporation (the "Investment Manager"), to assist in managing the assets of the Plan. The Investment Manager's role is to provide guidance to the Board of Trustees on matters pertaining to the investment of Plan assets including Investment Policy, investment selection, monitoring the Plan's performance and compliance with the Investment Policy. All decisions pertaining to the Investment Policy and guidelines for the Investment Policy's implementation will be made by the Board of Trustees. The Investment Manager, in carrying out the Investment Policy defined in this document, has authority and responsibility to select appropriate investments in the specific asset classes mandated by this Investment Policy, in accordance with (and subject to) the terms of an terms of the investment management agreement dated 5/27/2010 executed between the Investment Manager and the Plan (the "Investment Management Agreement").

Duties and responsibilities are described in detail below.

Board of Trustees

The Board of Trustees will retain a qualified Investment Manager to assist in the development and implementation of the Investment Policy and guidelines.

The Board of Trustees will establish the Investment Policy of the Plan. This includes, but is not limited to, allocation between equity and fixed income assets, selection of acceptable asset classes and investment performance expectations. The Board of Trustees periodically will review the Investment Policy.

The Board of Trustees will regularly review the investment performance of the Plan including the performance of the Investment Manager to assure the Investment Policy is being followed and progress is being made toward achieving the objectives.

Investment Manager

The Investment Manager retained by the Board of Trustees will assist the Board of Trustees in establishing the Investment Policy and guidelines contained in this Investment Policy.

In accordance with the terms of the Investment Management Agreement, the Investment Manager will be responsible for managing the asset allocation, determining investment strategy and implementing security selection decisions through the investment sub-advisors for the mutual funds managed by the Investment Manager, within the

Investment Policy and as otherwise provided by the Board of Trustees. The Investment Manager will monitor asset allocation across and among asset classes.

The Investment Manager will monitor investment performance of the Plan. Performance reports will be provided to the Board of Trustees quarterly. The Investment Manager will report in a timely manner any substantive developments that may affect the management of Plan assets.

STATEMENT OF OBJECTIVES

ERISA Compliance

The assets of the Plan will be invested in accordance with all applicable laws in a manner consistent with fiduciary standards including ERISA (if applicable). Specifically:

1. The safeguards and diversity that a prudent investor would adhere to must be present in the investment program.
2. All transactions undertaken on behalf of the Plan must be in the best interest of plan participants and their beneficiaries.

Primary Plan Objective

The primary objective of the Plan is preservation of capital and long term growth. The financial objectives of the Plan have been established in conjunction with a comprehensive review of the current and projected financial requirements.

Plan Financial Objectives

The primary financial objective of the Plan is preservation of capital and long term growth. The objective is based on a long-term investment horizon, so that interim fluctuations should be viewed with appropriate perspective. It should be recognized that this is a union sensitive plan. If an opportunity for investment exists in a company that favors union practices that the Investment Manager is aware of, then that security should be considered more advantageous to the plan, as long as the following requirements are met: 1) the union sensitive security has an expected rate of return that is commensurate to rates of return of alternative investments with similar risk characteristics that are available to the plan; 2) the union sensitive security is otherwise a prudent investment for the plan in terms of diversification; liquidity, and risk/return objectives of the plan and the requirements of these investment guidelines, and 3) the investment otherwise satisfies the requirements of DOL Interpretive Bulletin 94-1 to the extent that such interpretive bulletin is valid relating to economically targeted investments.

There can be no assurance that these objectives will be met.

The desired investment objective is a long-term expected rate above the actuarial assumption rate. The target rate of return for the Plan has been based upon an analysis of historical returns supplemented with an economic and structural review for each asset class. The Board of Trustees realizes that market performance varies and that long term expected rates of return may not be meaningful during some periods. The Board of Trustees also realizes and agrees that historical performance is no guarantee of future performance.

STATEMENT OF INVESTMENT POLICY

Asset Allocation Targets

It will be the policy of the Plan to invest assets with an allocation as shown below.

Asset Class	Target Allocation	Permitted Variance
Equity	30%	+/- 10%
Fixed Income	70%	+/- 10%

Any equity or fixed income holding resulting in a 20% loss from cost must be documented in writing to the Trustees as to your initial reasons for purchase as well as your reasons for continued retention.

Within each asset class, assets will be invested in accordance with the Guidelines set out below. The investments selected by the Investment Manager in accordance with this Investment Policy may include a small portion of total assets in cash reserves when deemed appropriate. However, the investments will be evaluated against their appropriate benchmarks on the performance of the total funds under management.

In accordance with the terms of the Investment Management Agreement, Manager will retain discretion with respect to the SEI mutual funds utilized by Manager to implement the Strategy. Additionally, Investment Manager will retain discretion with respect to modifications required to the asset allocation identified above. In the event the Investment Manager exercises its discretion as noted in this paragraph, Investment Manager will develop and adopt a revised draft Investment Policy Statement on behalf of the Fund. Investment Manager shall notify the Board as soon as practicable after implementing any change to the asset allocation or the SEI Funds used to implement the asset allocation as soon as practicable.

Adherence to Policy Targets and Rebalancing

The asset allocation established by this Investment Policy represents a long-term perspective. As such, rapid unanticipated market shifts or changes in economic conditions may cause the asset mix to fall outside of the policy range. Generally, these divergences should be of a short-term nature.

To ensure that divergence from the target policy is within acceptable limits, rebalancing of assets may be necessary. Rebalancing procedures are authorized by the Committee for the portion of Fund assets managed by the Investment Manager in accordance with the Investment Management Agreement.

Generally, rebalancing among funds may occur on a quarterly basis for the registered investment companies (i.e., mutual funds), hedge funds, and private equity (as applicable, if required) to ensure that the target asset allocation specified in this Investment Policy is maintained within acceptable ranges as determined by the Investment Manager. The Investment Manager will identify the amount of assets that must be reallocated in order to bring the Plan back into compliance with this Investment Policy and will issue the necessary instructions for the transfer of funds.

Notwithstanding the foregoing, under certain circumstances, the Investment Manager may (i) make tactical investment decisions for the Fund in accordance with the terms of the target variance noted above, (ii) modify the target variance(s) applicable to the strategy, (iii) modify its standard rebalancing operating procedures, and/or (iv) suspend some or all of the rebalancing procedures affecting the strategy. Investment Manager shall only modify or suspend its rebalancing procedures as outlined in this paragraph if it has prudently determined that such suspension is in the best interest of the Plan, its participants and beneficiaries in its reasonable sole discretion. If the Investment Manager has suspended it rebalancing procedures applicable to the Plan, the Investment Manager shall seek to notify the Board of Trustees as promptly as possible of such decision.

Investment Securities and Diversification

As described in the Investment Management Agreement, the Investment Manager implements this Investment Policy through investments in mutual funds and other pooled asset portfolios. It is the responsibility of the Manager to provide a prospectus (or other offering documents) for each investment and the responsibility of the Board of Trustees to read and understand the information contained in the prospectus.

Mutual funds may use shorting strategies as outlined in the prospectus. Further, certain mutual funds may participate in securities lending as determined by the prospectus (or other offering documents). Such investments are acceptable investments provided they conform to the diversification restrictions set forth below.

Investments will be diversified within asset classes with the intent to minimize the risk of large losses to the Plan. The portfolio includes mutual funds that are managed in accordance with the diversification and industry concentration restrictions set forth in the Investment Company Act of 1940, as amended (the "1940 Act"). Pursuant to the provisions of the 1940 Act, a mutual fund may not, with respect to 75% of its assets, (i) purchase securities of any issuer (except securities issued or guaranteed by the United States Government, its agencies or instrumentalities) if, as a result, more than 5% of its total assets would be invested in the securities of such issuer; or (ii) acquire more than 10% of the outstanding voting securities of any one issuer. This restriction does not apply to the International Fixed Income Fund or the Emerging Markets Debt Fund.

In addition, no mutual fund may purchase any securities which would cause more than 25% of its total assets to be invested in the securities of one or more issuers conducting their principal business activities in the same industry, provided that this limitation does not apply to investments in securities issued or guaranteed by the United States Government, its agencies or instrumentalities.

Guidelines for Portfolio Holdings

Domestic Equity:
The Domestic Equity portion of the portfolio will consist primarily of equity securities of companies that are listed on registered exchanges or actively traded in the over the counter market. The equity portion may also be invested in securities that are not readily marketable (illiquid and restricted securities), receipts, securities issued by investment companies, warrants, repurchase agreements, convertible securities and US dollar denominated securities of foreign issuers that are traded on registered exchanges or listed on NASDAQ. A portion of the equity portfolio may also be invested in fixed income securities that are rated investment grade or better, i.e., rated in one of the four highest rating categories by a nationally recognized statistical rating organization ("NRSRO"), or, if not rated, determined to be of comparable quality by the Investment Adviser or a mutual fund sub-adviser. The Investment Advisor will equitize cash to remain as fully invested as possible.

Non-U.S. Equity:
The non-U.S. equity portion of the portfolio will consist primarily of equity securities (common stocks, securities that are convertible into common stocks, preferred stocks, warrants and rights to subscribe to common stocks) of non-U.S. issuers purchased in foreign markets, on U.S. or foreign registered exchanges, or the over-the-counter markets. The issuers of the securities are located in countries other than the United States, including emerging market countries. Additionally, the portfolio may seek to enhance returns by active management of currency exposure. This strategy may involve taking long and short positions using futures, foreign currency forward contracts, foreign currencies and other derivatives. The portfolio may also engage in currency transactions in an attempt to take advantage of certain inefficiencies in the currency exchange market, to increase the exposure to a foreign currency or to shift exposure to foreign currency fluctuations from one currency to another. Any remaining assets may be invested in fixed income securities of emerging market governments and companies. Certain securities issued by governments of emerging market countries are, or may be, eligible for conversion into investments in emerging market companies under debt conversion programs sponsored by such governments.

A portion of the portfolio's assets may be invested in securities that are rated below investment grade, U.S. or non-U.S. cash reserves and money market instruments, repurchase agreements, securities that are not readily marketable, obligations of supranational entities, American Depository Receipts, European Depository Receipts and investment company securities including securities issued by foreign investment companies.

Domestic Fixed Income:
The investment grade portion of the domestic fixed income portfolio will consist primarily of fixed income securities that are rated investment grade or better, i.e., rated in one of the four highest rating categories by an NRSRO at the time of purchase, or, if not rated are determined to be of comparable quality by the Investment Adviser or a mutual fund sub-adviser. The portfolio may invest in traditional fixed income securities, such as bonds and debentures, issued by domestic and foreign private and governmental issuers, including mortgage-backed and asset-backed securities. In addition, the portfolio may also contain structured securities that make interest and principal payments based upon the performance of specified assets or indices. Structured securities include mortgage-backed securities such as pass-through certificates, collateralized mortgage obligations and interest and principal only components of mortgage-backed securities. Other investments include mortgage dollar roll transactions, Yankee obligations and obligations of supranational entities.

The high yield portion of the domestic fixed income portfolio will consist primarily of fixed income securities that are rated below investment grade, i.e., rated below the top four rating categories by a NRSRO at the time of purchase, or, if not rated, determined to be of comparable quality by the Investment Adviser or a mutual fund sub-adviser. There is no bottom limit on the ratings of high yield securities that may be purchased and held in the portfolio. Any remaining assets may be invested in equity, investment grade fixed income and money market securities.

Short Duration Government Fund

The Short-Duration Government Fund invests substantially all of its net assets in U.S. Treasury obligations and obligations issued or guaranteed as to principal and interest by agencies or instrumentalities of the U.S. Government, including mortgage-backed securities, and repurchase agreements collateralized by such obligations. The Fund may invest in securities issued by various entities sponsored by the U.S. government, such as the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac). These issuers are chartered or sponsored by acts of Congress; however their securities are neither issued nor guaranteed by the U.S. Treasury and are not backed by the full faith and credit of the United States government. In addition, the Fund may invest in futures contracts, options, swaps and other similar instruments.

Non U.S. Fixed Income:

The non-U.S. investment grade portion of the fixed income portfolio will consist primarily of securities of non-U.S. issuers located in at least three countries other than the United States. Any remaining assets may be invested in obligations issued or guaranteed as to principal and interest by the U.S. Government, its agencies or instrumentalities and preferred stocks. The non-U.S. investment grade portion will concentrate its investments in developed countries.

Non-U.S. investment grade fixed income securities will be traditional fixed income securities, such as bonds and debentures, and will be issued by foreign private and governmental issuers and may include mortgage-backed and asset-backed securities. The portfolio may also contain structured securities that derive interest and principal payments from specified assets or indices. The portfolio will be comprised primarily of investment grade securities denominated in various currencies, including the European Currency Unit. Investment grade securities are rated in one of the highest four rating categories by an NRSRO, or, if not rated, determined to be of comparable quality as determined by the Investment Adviser or a mutual fund sub-adviser.

The emerging debt portion of the portfolio will consist primarily of debt securities of government, government - related and corporate issuers in emerging market countries and of entities organized to restructure outstanding debt of such issuers. Investments will be made in emerging debt securities which are primarily rated below investment grade by internationally recognized credit rating organizations, or, if not rated, determined to be of comparable quality as determined by the Investment Adviser or a mutual fund sub-adviser. While there is no limit on the percentage invested in non-US dollar denominated assets, it is expected that the majority of the emerging debt assets will be denominated in U.S. dollars or hedged back to the U.S. dollar.

Cash Equivalent Reserves

The investments selected by the Investment Adviser in accordance with this Investment Policy Statement may include a small portion of total assets in cash reserves when deemed appropriate.

Cash equivalent reserves will consist of money market securities such as high quality, short-term debt instruments. They include: (i) bankers' acceptances, certificates of deposits, notes and time deposits of highly-rated U.S. and foreign banks; (ii) U.S. Treasury obligations and obligations issued or guaranteed by the agencies and instrumentalities of the U.S. Government; (iii) high-quality commercial paper issued by U.S. and foreign corporations; (iv) debt obligations with a maturity of one year or less issued by corporations with outstanding high-quality commercial paper; (v) repurchase agreements involving any of the foregoing obligations entered into with highly-rated banks and broker-dealers; and (vi) foreign government obligations.

Volatility

Consistent with the desire for adequate diversification, the investment policy is based on the assumption that the volatility of the combined equity investment will be similar to that of the market opportunity available to institutional investors with similar return objectives. The volatility of fixed income portfolios may be greater than the market during periods when the portfolio duration exceeds that of the market.

Proxy Statements
Proxies, tender offers and the like will be voted in accordance with the terms of the Investment Management Agreement.

Execution of Security Trades
The Plan expects the purchase and sale of its securities to be made in a manner designed to receive the combination of best price and execution. The Board of Trustees recognizes that mutual fund shares are purchased and sold at the net asset value next determined after receipt of the order and that accordingly, best price and execution may not be applicable to such transactions.

CONTROL PROCEDURES

Review of Liabilities
All major liability assumptions regarding number of participants, compensation, benefit levels and actuarial assumptions will be subject to an annual review by the Board of Trustees. This review will focus on an analysis of major differences between the Plan's assumptions and actual experience.

Review of Investment Objectives
Investment performance will be reviewed annually to determine the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy for achieving these objectives. In addition, the validity of the stated objective will be reviewed annually.

It is not expected that the Investment Policy will change frequently. In particular, short-term changes in the financial markets should not require an adjustment to the Investment Policy.

Review of Investment Manager and Investments
The Investment Manager will report on a quarterly basis to review the total Plan investment performance.

The Investment Manager will be responsible for keeping the Board of Trustees advised of any material change in its personnel, the investment strategy, or other pertinent information potentially affecting performance of all investments.

Performance reviews will focus on:

- Comparison of investment results to appropriate benchmarks, as well as market index returns in both equity and debt markets.
- Investment adherence to this Investment Policy and guidelines.
- Material changes in the investment organizations, such as in investment philosophy and personnel, etc.

Performance Expectations
The most important performance expectation is the achievement of long-term investment results that are consistent with the Plan's Investment Policy. Implementation of the policy will be directed toward achieving this return and not toward maximizing return without regard to risk.

The Board of Trustees recognizes that this real return objective may not be meaningful during some time periods. In order to ensure that investment opportunities available over a specific time period are fairly evaluated, comparative performance statistics (including benchmark indices) will be used to evaluate investment results.

ADOPTION OF INVESTMENT POLICY STATEMENT

The Board of Trustees of the South Florida Operating Engineers Apprentice and Training Fund has reviewed, approved and adopted this Investment Policy Statement, dated 4/2/14, prepared with the assistance of SEI Investments Management Corporation.

Signature — *Date* 5-22-2014