



## Investment Objectives Reviewed By Account

Portfolio Name	Portfolio Code	Objective*	Consolidated**
Denison Firemen's R&R Fund	#1894	Balanced Fund*	

**Balanced Fund:**\* Per the Trustees' Funding Policy Statement, the asset allocation is to be measured on a market basis. The investment objectives of the Denison Firemen's Relief and Retirement Fund (Fund) are twofold. The primary objective is long-term growth of capital with a secondary objective to preserve capital. In order to achieve these objectives the fund's assets are to be invested in a balanced portfolio comprised of equity, enhanced income, fixed income and cash equivalent securities. As such it is intended to be more aggressive than fixed income oriented portfolios and less aggressive than equity only oriented portfolios. In this context, "aggressive" relates to such issues as expected long-term rates of return and return volatility, investment vehicles, diversification among economic sectors and industries and individual securities.

The following parameters are based upon cost of the securities, taking into consideration the cash flow and needs of the Fund as well as the current and forecasted future economic conditions:

1. The Fund will target 40% of the assets to be invested in securities to derive income. These securities must be issued by the U.S. government, one of its instrumentalities or by a corporation whose debt has received an investment grade rating by one or more debt rating firms (e.g., Moody's, Standard and Poor's, Fitch, or Duff and Phelps). Enhanced income securities include, but are not limited to: U.S. Government or agency obligations, certificate of deposits, money market funds, preferred stocks, convertible securities, royalty trusts and real estate investment trusts. This includes Exchange Trade Funds and Investment Companies where the underlying assets are defined in either this Section 1 or Section 2.
2. The remainder of the assets shall be invested in common stocks or other securities which meet the requirements of the Texas investment laws pertaining to this type of fund. Investment Companies (mutual funds) and Exchange Traded Funds which invest primarily in common stocks shall be permitted under this particular allocation.

The investment manager is granted a 10% deviation from the stated target allocation due to temporary fluctuations in market conditions or securities events such as mandatory conversions from debt instruments to equity. For the purpose of determining the above asset allocation, total values based on cost will be utilized.

*\*The Trustees may amend these guidelines from time to time as conditions warrant.*

*\*Please consult your portfolio manager to update your investment objectives if your investment goals have changed.*

*\*\*Accounts designated are managed on a consolidated basis.*