

February 2, 2021

Georgetown Charter Township-Finance Committee
Georgetown Charter Township Cemetery Perpetual Care Fund
1515 Baldwin Street
PO Box 769
Jenison, MI 49429-0769

RE: Cemetery Perpetual Care Fund Annual Letter

Dear Finance Committee Members,

In accordance with the Investment Policy Statement dated 3/19/20, see attached, we would provide, as the investment advisor, "an annual letter, attesting that the investments in the Cemetery Perpetual Care Fund are allowable by law and that no 'prohibited transactions' occurred during the previous calendar year", for 2019.

We can attest to this fact that there were "no prohibited transactions" during the period of January 1 to December 31, 2019. In addition, all the bonds held were "investment grade or better." Additionally, the December 31, 2019 market value of the account stood at: \$1,719,807.

If you have any questions, please feel free to contact us.

Thank you,



Chad K. Creevy
Vice President-Portfolio Manager
Asset Management Group

Enclosure

**Investment Policy Statement
Georgetown Township
Cemetery Perpetual Care Fund**

A. Purpose and Scope:

This Investment Policy Statement governs the investments associated with the Georgetown Township Cemetery Perpetual Care Fund.

B. Definition of Duties:

- a. The Finance Committee of the Board of Trustees has oversight responsibility for investment of the assets of the Cemetery Perpetual Care Fund and will delegate investment authority to external investment advisers who may be retained by approval of the Finance Committee. The Finance Committee will periodically ratify and review the Investment Policy Statement.
- b. The external investment advisor shall be responsible for selecting and implementing assets that conform to State of Michigan regulations and the Investment Policy Statement of the Cemetery Perpetual Care Fund of Georgetown Township.

C. Objectives

The primary investment objective is to generate stable income with modest principal growth and a secondary objective to protect the principal value of the Cemetery Perpetual Care Fund.

D. Strategic asset allocation framework

- a. Factors and Constraints:
 - i. Timeframe: Given the perpetual nature of Cemetery Trusts, the investment time frame is long (excess of ten years)
 - ii. Tax Issues: There are no tax issues to be considered.
 - iii. Liquidity Needs: Quarterly income distributions.
 - iv. Legal/Regulatory Factors: Cemetery Perpetual Care Fund is subject to PA 215, Section 128.1 (effective May 16, 2016)
- b. Strategic Asset Allocation Policy:

Subject to existing fixed income maturities and market conditions over the next eighteen months, the following allocations and weights apply:

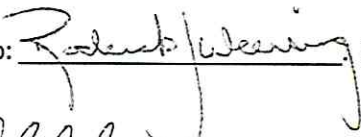
Broad Class	Allocation	Target	Minimum	Maximum
Equity (Return Oriented)		50%	40%	60%
	US Core Equity	19.3	15.0	25.0
	Int'l Core Equity	11.0	10.0	15.0
	Equity Long/Short	5.5	3.0	6.0
	Emerging Mkt Equity	2.8	0	3.0
	Global REIT	2.8	0	3.0
	Int'l Small Cap	2.8	0	3.0
	Equity Market Neutral	2.8	0	3.0
	Global Macro	2.8	0	3.0
Fixed Income (Risk Managing)		50%	40%	60%
	CD's, Govt. & Agency Bonds	42.0	30.0	85.0
	Investment Grade Bonds	6.0	5.0	15.0
	Emerging Mkt Debt	1.0	0	3.0
	High Yield Debt	1.0	0	3.0
Cash & Equivalents		0%	0%	10%


E. Rebalancing and Spending Policy

- a. The portfolio shall be rebalanced when actual investment positions exceed allowable ranges. The external investment advisor is free to rebalance within the allowable ranges as they deem appropriate, taking into account market conditions and a pending distributions from the Cemetery Perpetual Care Fund.
- b. Spending Policy: Income is to be distributed quarterly to a bank disbursement account, authorized by Georgetown Township.

F. Monitoring and review process:

- a. All individual bonds used in the Cemetery Perpetual Care Fund shall be classified as 'Investment Grade', by Moody's or Standard & Poor's, so long as the bonds are held.
- b. All mutual funds used in the portfolio shall maintain at least a 'four-star' rating, as determined by independent ratings agencies.
- c. The investment advisor shall provide monthly statements to the Georgetown Township Superintendent, or his/her designee.
- d. The investment advisor shall at the request of the Finance Committee appear before them to discuss/review investment issues and performance as it relates to the Cemetery Perpetual Care Fund.
- e. Investment performance shall be computed using generally accepted standards for doing so and furnished to Georgetown Township at their request.
- f. The investment advisor shall provide an annual letter, attesting that the investments in the Cemetery Perpetual Care Fund are allowable by law and that no 'prohibited transactions' occurred during the previous calendar year.

On behalf of Georgetown Township:  Dated 3/19/2020

On behalf of Macatawa Bank:  Dated 3/19/20