

*Investment Policy Statement for Allocated contracts*

*(Instructions to help you customize this Investment Policy Statement are included in red. This form can be modified to include your specific contract provisions, or you can create your own document. If you choose to modify this document, be sure to delete the instructions.)*

*(Insert the plan name as found in your adoption agreement)*  
(the “Plan”)

Investment Policy Statement

**Plan Purpose**

The purpose of the Plan is asset accumulation to fund the retirement and other financial needs of Plan participants and their beneficiaries. The Plan is a participant-directed, defined contribution plan.

**Role of the Investment Committee**

The following are member(s) of the Investment Committee:

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The Investment Committee will select and monitor each investment option offered by the Plan through its purchase of a *(Insert the contract name as found in your investment contract)*, issued by *(Insert the name of your investment provider)*. Investment Committee members, in selecting the *(Insert the contract name as found in your investment contract)* and monitoring investment options within the *(Insert the contract name as found in your investment contract)*, have done so based on the current demographics and needs of the eligible employee population and the desire to offer a variety of investment options at a reasonable fee.

The Investment Committee’s selection of the *(Insert the contract name as found in your investment contract)* was based on its determination that the *(Insert the contract name as found in your investment contract)* provided the most appropriate investment for plan assets, including: multiple investment managers in a single funding vehicle; a wide range of investment styles and levels of risk; daily valuation which includes daily transfers between funds; toll-free access and internet access to account balances; employee education provided by *(Insert the name of your investment provider)* in printed material and on *(Insert the name of your investment provider)* web site; sponsor/trustee assistance and reasonable costs, all for the benefit of Plan participants. The Investment Committee will periodically review its selection of the *(Insert the contract name as found in your investment contract)* to ensure that it remains an appropriate overall funding vehicle for the Plan, in the sole interest of participants and their beneficiaries.

The Investment Committee or Plan Sponsor will communicate pertinent investment information to all participants on a timely basis. Since plan participants bear the risk of their investment strategies and selections, educational materials will be provided to assist them in making knowledgeable investment decisions.

### **Investment Options**

The Investment Committee has evaluated the investment objectives and policies, historical performance and expenses of each investment option offered to Plan participants. The chosen investment options were selected on the basis of their compatibility with Plan participants' needs. Investments can be selected from any or all of the asset classes and/or fund objectives in the *(Insert the contract name as found in your investment contract)* contract which are offered by the Plan.

The Investment Committee will reevaluate, no less frequently than quarterly, semi-annually or annually, *(Be sure to delete the options that don't apply.)* each investment option offered to participants to determine its continued suitability in the Plan. Such reevaluation will include examining 1) historical performance of each investment option offered by using standard publicized performance data and 2) current and projected market conditions.

In addition to *(Insert the name of your investment provider)* separate variable accounts offered in the *(Insert the contract name as found in your investment contract)*, the Plan may also offer the Guaranteed Account, which is also part of the *(Insert the contract name as found in your investment contract)*, as an investment option. The Investment Committee will communicate the performance of these assets to the participant upon request. Investment performance in the *(Insert the contract name as found in your investment contract)* separate accounts will be reported to participants as described below.

### **Style Consistency**

The Investment Committee has chosen to evaluate the style consistency of the investment options offered to the participants in the Plan. In response to its ERISA fiduciary responsibility, the Investment Committee has chosen investment options where each of the investment alternatives offered by the Plan seeks to strictly follow its stated objective, so that over time it has the opportunity to deliver the expected return for funds of its type. The goal of strict adherence by the investment options to their stated objectives enables the participants to choose investment options with more predictably diverse investment objectives and, in doing so, participants may receive the benefit of true asset allocation.

### **Diversification**

Participants will have the opportunity to diversify their investment strategy among at least *( \_\_\_\_\_ Indicate the number of investment alternatives that are offered in your investment contract. As of \_\_\_\_\_, the contract offers a total of \_\_\_ funds.)* investment alternatives representing different asset classes and/or risk and return characteristics. By diversifying their investments, the Investment Committee has determined that Plan participants will have an opportunity to reduce their risk exposure and increase their reward potential by creating a broad-based financial portfolio appropriate to the individual needs of that Plan participant.

### **Participant Direction**

This is a participant-directed Plan. As such, Plan participants will choose their own investment options from among those selected from the *(Insert the contract name as found in your investment contract)* by the Investment Committee and offered by the Plan. Plan participants may alter their investment selections as often as the Plan allows.

There are two types of assets for which participants may provide investment instructions: current contributions and accumulated balances. Participants may change investment instructions for current contributions daily, quarterly, semi-annually or annually. *(Select the frequency that your plan allows participants to change their current investment election/change future allocations. Be sure to delete the options that don't apply.)* Participants may change investment balances daily, quarterly, semi-annually or annually. *(Select how often your participants are allowed to transfer accumulated balances. Since you are using an allocated investment contract, this most likely will be daily; otherwise it may coincide with the frequency selected in the sentence above. Check your internal procedures to verify this information. Be sure to delete the options that don't apply.)* Transfers from the Guaranteed Account (in the *(Insert the contract name as found in your investment contract)*) may be restricted within a 12-month period based on the criteria set forth in the *(Insert the contract name as found in your investment contract)* contract.

Participants may change their investment instructions via *(Insert the name of your investment provider)* toll-free access. Toll-free access is available from *(Insert the availability timeframes)*. The transaction will be effective at the close of the following business day. *This toll-free line is for participants' convenience and privacy only. Please note that this line may be busy during times of unusually high transfer activity.*

Account information can also be accessed via *(Insert the name of your investment provider)* at *(Insert the name of your investment provider's website address)* 24 hours a day.

### **Availability of Investment Information**

Each Plan participant will receive a statement of his or her own investment activity on at least a quarterly, semi-annually or annually basis. *(Be sure to delete the options that don't apply.)* Plan participants will also receive a quarterly investment newsletter that will discuss a variety of topics on investing in their Plan. The unit values of the available investments are reported daily and are available via the *(Insert the name of your investment provider's website address)*, our toll-free access or through contact with an *(Insert the name of your investment provider's customer service representative)*. All other information the Plan receives about the investment alternatives is available for inspection by Plan participants at the Plan Sponsor's principal place of business during regular business hours.

### **Performance Monitoring**

Should any particular investment option fail to meet performance expectations for the period, it will be placed on a "watch" list for closer scrutiny. If the investment option fails to return to acceptable standards, elimination of that investment option or substitution of an alternative investment may be considered.

The Investment Committee reserves the right to substitute or remove any investment option with a more appropriate selection should it be deemed to deviate from any of the predetermined selection criteria.

This Investment Policy Statement is adopted by the Investment Committee as of (month/day/year) \_\_\_\_\_.

*(The original copy of your Investment Policy Statement should be kept with your plan records.)*

This Investment Policy Statement for Allocated Contracts is provided to assist the plan's sponsor in preparing the plan's policy statement and is designed to provide information regarding the subject matter covered. It is provided with the understanding that it does not constitute legal, tax or other professional service. To determine how this information applies to the plan's situation, the plan sponsor should seek the advice of an attorney or other tax or employee benefits professional.