

WHY DEVELOP AN INVESTMENT POLICY STATEMENT FOR YOUR RETIREMENT PLAN?

There are a number of reasons for developing a written Investment Policy Statement (IPS) for your retirement plan, including:

- The IPS serves as a guide for evaluating and monitoring the overall investment portfolio and the individual investment options within your retirement plan. By establishing written guidelines to assist you in evaluating your investment selections, you are better equipped to determine that the funds you offer to your plan's participants continue to be appropriate options.
- The IPS provides documentation of the procedures and decisions made in selecting and monitoring a plan's investment options.
- The IPS reassures plan sponsors and plan participants that their investment contributions are invested in a prudently constructed retirement plan that is continually being overseen in their best interests. While it is certainly important that you, as a plan fiduciary, adopt a written IPS, it is equally important that you review your IPS and your investment selections on a regular basis. Your financial advisor can assist you with this.

To assist you in developing an Investment Policy Statement for your plan, we are providing you with sample criteria from which you can select to set "parameters" to define how your funds will be evaluated. Please complete the attached questionnaire and return it to Pension Inc. Upon receipt, we will draft an IPS for you to review. If it meets your approval, please sign it and return a copy to us.

Pension Inc. does not sell investments, nor do we endorse any particular investment provider or offer investment advice. You and/or your investment advisor must select and monitor your plan's investment options. The information provided by Pension Inc. is for informational purposes only and is not investment advice. To obtain information about plan investments, please contact your financial advisor.



INVESTMENT POLICY STATEMENT CRITERIA SELECTION WORKSHEET

Name of Plan _____

Name of Preparer _____

Date Prepared _____

The below criteria is from the Morningstar Principia Defined Contribution Plans module and is provided to assist you in drafting an IPS. Pension Inc. does not sell investments, nor do we endorse any particular investment provider or offer investment advice. You and/or your investment advisor must select and monitor your plan's investment options. The information provided by Pension Inc. is for informational purposes only and is not investment advice. To obtain information about plan investments, please contact your financial advisor.

Performance

I. Please complete the statement below...

If an investment offering has a Morningstar rating under _____ stars (one, two, three, four or five) at any investment review, that fund will be _____ ("removed" or "placed on the watch list").

If you selected "placed on the watch list," please complete the statement below...

If this investment offering remains on the watch list for _____ (number) consecutive _____ (quarters or years) then the investment offering will be replaced.

2. We will review and, if necessary, act on investment performance in comparison to an investment offering's Morningstar category average (check all that apply):

- Year-to-date return
- 1-year return
- 3-year return
- 5-year return
- 10-year return

If an investment offering performing under its category average remains on the watch list for _____ (number) consecutive _____ (quarters or years) then the investment offering will be replaced.

Plan Diversification

Enter the minimum number of holdings allowed in each style box segment. If you will not require a minimum number of holdings in each style box, please check the option below. This information will be omitted from your IPS.

EQUITY

Value	Blend	Growth	
			Large
			Mid
			Small

<input type="checkbox"/>	We will not require a minimum number of holdings in each style box.
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FIXED INCOME

Short	Interm	Long	
			High
			Med
			Low

Style Consistency

We will review style consistency _____(quarterly, semi-annually, annually). If an investment offering has a style box change, the fund will be _____("placed on the watch list" or "replaced").

If you selected "placed on the watch list," please complete the statement below...

If an investment offering with a style box change does not revert back to its original style in _____ (number) of _____(quarters or years)

The fund will be (select from ONE below)

- Removed
- Left in the plan and another fund will be added to the lineup
- Replaced by another offering

