

Investment Policy Statement For ABC Company 401(k) Plan

Plan name: ABC Company 401(k) Plan

Type of plan: 401(k)

Plan adoption date: 1/1/1990

Fiscal year-end date: 12/31

Plan Sponsor Committee: Joe Smith
Bob Jones

Administrator: Pension Inc.

Investment Advisor: Advisor Name

This Investment Policy Statement (IPS) is intended to operate in accordance with the provisions of the Employee Retirement Income Security Act, commonly known as ERISA. This IPS is also intended to set forth rules to meet the ERISA Section 404(c), which requires the Plan to have diversified investment options.

Purpose of the Investment Policy Statement

The purpose of this Statement is to:

- Establish the Plan trustees' objectives for structuring a retirement savings program suitable to the long-term needs and risk tolerances of Plan participants.
- Formulate policies for selecting appropriate mutual funds, separate accounts, or other suitable investments within the framework of that structure.
- Establish prudent procedures for monitoring and evaluating the performance of investments within the Plan.

Purpose of the Plan

ABC Company 401(k) Plan plan was established to provide a retirement savings program for ABC Company's employees. All decisions regarding investment options, administrative issues,

and communication efforts must be made for the exclusive purpose of benefiting the Plan participants. The Plan is intended to operate in accordance with all applicable federal laws and regulations, and the provisions of Department of Labor regulations issued pursuant to ERISA Section 404(c).

The goal of the Plan is to provide a framework for ABC Company's employees to accumulate wealth and plan for their retirement. While Plan participants are ultimately responsible for their own investment decisions, the Plan trustees and its Investment Committee must endeavor to provide a suitable range of investment options, allowing employees to invest in accordance with their risk tolerances, saving and investing horizons, and retirement goals.

Plan Objectives

The Investment Committee will select and monitor the investment options to support the following Plan's objectives:

- Promote and maximize wealth accumulation by Plan participants
- Attract and retain outstanding employees at ABC Company
- Provide Plan participants with asset classes and investment options that accommodate their retirement goals and saving and investing horizons
- Encourage a high participation rate

Selection of Investment Classes

The Plan intends to comply with Section 404(c) of ERISA by providing a broad range of investment options. This includes having, at a minimum, three diversified investment alternatives that are sufficient in permitting the participants to materially affect the potential return and degree of risk on their accounts.

Selection of Investment Options

ABC Company's Investment Committee takes a two-tiered approach to fund selection. First, quantitative screens are used to eliminate funds that fail to meet minimum quality standards. Then a qualitative view is taken in selecting the most appropriate options from the available universe to build the portfolio lineup for the Plan.

The quantitative screens include a fund manager's track record, an investment's style consistency and performance consistency, and the offering's expenses. And, the qualitative assessment is focused on an investment's style nuances, portfolio concentration and manager changes, and the firm's organizational changes.

Monitoring of Investment Options

The Investment Committee will review the overall Plan and each investment option on a semi-annual basis. The monitoring process should follow the similar procedure used for the selection of investment options.

Participant Communication and Education

Participant communication materials, including fund prospectuses, will be available from the Plan administrator upon request. These materials are also available for download at www.pensionin.com. Participants will be provided updated information on their selected Plan options on a quarterly basis. Ongoing educational sessions will be arranged to assist participants in making informed investment decisions that are appropriate for their retirement goals and needs.

Default Investment Option

The Plan’s default investment option is the XYZ Balanced Fund.

This Investment Policy Statement shall remain in effect until revised or amended by the Plan's Investment Committee.

Plan sponsor:

Name

Date

ABC Company 401(k) Plan

Alert Settings

Performance

Morningstar Rating less than 4

One-Year Category Rank below Second Quartile

1-year Return less than Category Avg

Any fund placed on the Performance Watch List three consecutive years will be replaced.

Style Consistency

Equity Style Box compared to Quarterly

Fixed Income Style Box compared to Quarterly

Style consistency will be reviewed on a semi-annual basis.

Manager

Funds experiencing a manager change will be monitored.