

**GEORGE MASON UNIVERSITY
OPTIONAL RETIREMENT AND
CASH MATCH PLANS**

INVESTMENT POLICY STATEMENT

Reviewed
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PURPOSE OF THE INVESTMENT POLICY STATEMENT

These guidelines and objectives have been developed for use in managing the assets of the **Optional Retirement Plan** and **Cash Match Plan** (collectively the “Plans”). Although not required to follow ERISA standards, the Rector and Board of Visitors of George Mason University (the “BOV”) is using ERISA section 404(c) as a guideline.

The purpose of this Investment Policy Statement (IPS) is as follows:

- to outline for the Investment Policy Committee (the “IPC”) the overall structure of each Plan’s investment program, the duties and responsibility of the IPC, and the general policies and procedures under which the IPC operates;
- to establish guidelines and procedures to be followed by the IPC or its staff in performing their duties in connection with the selection of investment funds to be offered as investment options under the Plans; and
- to outline criteria and procedures that the IPC will use in reporting the performance of the investment options offered under each Plan to evaluate whether the respective investment policies of the investment options are consistent with the goals of the Plans.

The Plan’s investment choices are designed:

- to provide an opportunity for the Plan participants to exercise independent control over assets in their individual Plan accounts on a timely basis; and
- to provide Plan participants the opportunity to choose from a range of diversified and distinct investment alternatives sufficient to create portfolios with varied aggregate risk and return characteristics.

In general, it is understood that this IPS is intended to incorporate sufficient flexibility so as to accommodate current and future economic and market conditions and changes in applicable accounting, regulatory, and statutory requirements. The BOV shall be free to deviate from this IPS as it deems appropriate, including on a case-by-case basis with respect to any investment option or any fiduciary appointed by the BOV, and the BOV will review this IPS periodically to determine if modifications are necessary or desirable.

The IPC’s primary objective is to select investment options that meet the needs of a diverse participant group and to select these options on the basis of risk and return characteristics. To accomplish this investment goal, annuity products and publicly traded mutual funds will comprise the principle investment options made available under the Plans.

INVESTMENT POLICY

Investment Objective

The investment objective of the Plans is to provide Plan participants the opportunity to attain a range of possible returns within reasonable and prudent levels of risk by offering Plan participants a broad range of investment options and alternatives.

ERISA standards require having at least three investment alternatives which have materially different risk and return characteristics so that, taken together, they enable a Plan participant to arrange a portfolio with aggregate risk and return characteristics that are in a range that is appropriate for such participant. While the Plans are not subject to ERISA, ERISA does suggest guidelines for achieving the objective of offering an appropriate diverse range of investment options under the Plans.

Time Horizon

This IPS recognizes that individual participants' investment horizons will vary considerably. The guidelines for investment option selection and monitoring contained in this statement are based upon a time horizon of between three and five years. Interim fluctuations in investment performance should be viewed by the Plan participants in light of these different horizons. To the extent the fund has a time horizon of less than three years and depending on the investment vehicle, other time frames may also be evaluated.

Plan participants with shorter-term liquidity needs will have the ability to select a short-term investment option with a primary objective of providing a non-fluctuating principal value. Short-term investment options will be evaluated annually.

Risk Tolerances

Plan participants must recognize the difficulty of achieving their investment objectives in light of the uncertainties and complexities of the financial markets. Several factors suggest that Plan participants may wish to tolerate some interim financial fluctuations in market values and rates of return in order to achieve their overall investment objectives. Due to the different investment horizons that individual Plan participants may face, this IPS recognizes that Plan participants will seek various combinations of risk and return to achieve their individual investment objectives.

Based upon the reports and recommendations of the IPC, the BOV will evaluate the investment options to discharge its responsibilities under each Plan in the best interests of Plan participants and their beneficiaries.

Performance Benchmarks

Some asset classes list multiple performance benchmarks, which allow flexibility depending upon fund selection. The appropriate benchmark is selected depending on the fund's objective.

INVESTMENT OPTION SELECTION GUIDELINES

These investment option selection guidelines will form the basis for any recommendations made by the IPC to the BOV and all actions of the IPC. The investment option selection guidelines will be evaluated by the IPC from time to time. If they are too rigid to provide adequate investment options, exceptions will be made, as necessary, to ensure that Plan participants have adequate and distinct investment options available to them. Any exception that forms the basis of any recommendation to the BOV shall be fully disclosed as part of such recommendation.

In addition to the guidelines established for each asset class, the following should be met for all investment options selected to be included under each Plan:

- A clearly articulated investment strategy consistent with the IPS asset class guidelines.
- Information pertaining to each investment option must include such items as the history of the investment advisor and/or investment manager, key personnel, and current fee schedule or current expense ratios.
- A cost structure that is reasonable and competitive.
- Performance and risk consistent with the asset class and competitive with peer group options.

An investment option may be included that does not meet all of the guidelines listed. In addition, it is not required that every investment option detailed in the IPS be offered as an investment in the Plan or available on a particular vendor's investment platform.

ASSET CLASSES

The BOV has determined that based on Plan participants' varying time horizons and risk tolerances, the following asset classes may be made available to Plan participants under each Plan. Participants may diversify asset allocation between these asset classes to achieve their own desired level of risk and return.

- Fixed Accounts
- Money Market Funds
- Fixed Income Funds
 - Short Term Bond
 - Domestic Fixed Income
 - Global Fixed Income
 - High Yield Fixed Income
 - Treasury Inflation Protection Securities (TIPS)
 - Fixed Income Index
- Equity Funds
 - Domestic Large Cap
 - Domestic Mid Cap
 - Domestic Small Cap
 - International and Global
 - Emerging Markets
 - Equity Index
- Balanced Funds
- Specialty Funds
 - Real Estate Investment Funds

FIXED ACCOUNTS

Objective

Fixed Accounts guarantee principal and provide contractually specified interest rates backed by the claims paying ability of the company.

Typical Investor Profile

- Investors who seek to preserve principal and produce income.
- Investors who are currently evaluating other investment options before determining their appropriate asset allocation.
- Investors moving to more conservative investments in anticipation of retirement.

Investment Strategy

Fixed Accounts invest assets in a variety of securities that may include equities, publicly traded bonds, real estate investments, mortgage loans, and direct business loans.

Investment Selection Guidelines

1. Above average claims paying ability as rated by Standard & Poor's or Moody's.

Current credit rates that approximate or exceed prevailing market interest rates offered by other fixed accounts or guaranteed income contracts.

MONEY MARKET FUNDS

Objective

Money Market Funds seek to provide preservation of capital, liquidity, and a level of current income consistent with the other objectives.

Performance Benchmark(s)

The Lipper Money Market Index
90 day U.S. Treasury Bill Index or such other index that most appropriately reflects the strategy.

Although benchmarks for money market fund performance exist, they will be of limited interest to participants. Each Plan will offer a limited number of money market fund options that differ in terms of risk exposure. The rate of return provided will vary over time as conditions in the money market change.

Typical Investor Profile

- Investors who want to limit their exposure to investment risk.
- Investors seeking high levels of liquidity.
- Investors who, anticipating adverse market movements, want temporarily to hold a portion of their assets in a form that avoids exposure to the risks associated with medium to long-term debt and equity investments.

Investment Strategy

Money market funds should invest in a diversified portfolio of high-quality, short-term debt obligations.

Investment Selection Guidelines

1. Fund net assets of at least \$100 million.
2. Three or more years of investment history, if available.
3. Average maturity of 180 days or less.
4. Returns that approximate or exceed the benchmark for rolling three-year periods, at reasonable levels of risk.

SHORT TERM BOND FUND

Objective

Short Term Bond Funds seek a competitive level of current income, consistent with preservation of principal.

Performance Benchmark(s)

Lehman 1-3 Year Government Index

Lehman 1-3 Year Government Credit Bond Index or such other index that most appropriately reflects the strategy

Typical Investor Profile

- Investors whose asset allocation plans include a stable, income producing investment.
- Investors who are currently evaluating other investment options before determining their appropriate asset allocation.
- Investors moving to more conservative investments in anticipation of retirement.

Investment Strategy

Short Term Bond Funds should comprise investment grade quality short-term securities, originated from a diverse and high quality list of issuers. The securities that constitute the underlying assets of such contracts should also follow proper consideration of quality and diversification

Investment Selection Guidelines

1. No single issuer should represent more than 10% of the fund except for U.S. Government and Agency guaranteed securities.
2. Average credit quality of A or higher by Standard & Poor's or Moody's.
3. Returns that approximate or exceed the median level of peer group funds for rolling three-year periods.
4. Returns that approximate or exceed the benchmark for rolling three-year periods, at reasonable levels of risk.

FIXED INCOME FUNDS - DOMESTIC

Objective

Fixed Income Funds seek a level of total return that reflects current income and price fluctuation consistent with debt securities maturing in the range of one to ten years.

Performance Benchmark(s)

The Lehman Aggregate Bond Index	Convertible Bond Index
The Lehman Corporate Bond Index	The Lehman LT Govt/Corporate Bond Index
The Lehman IT Govt/Corporate Bond Index	
The Lehman Government Bond Index or such other index that most appropriately reflects the strategy	

Typical Investor Profile

- Investors whose asset allocation plans call for income-producing investments.
- Investors seeking a fixed-income base to help cushion equity market declines but who are also willing to accept fluctuations associated with longer-term maturities.
- Investors moving to more conservative investments in anticipation of retirement.
- Retired investors who seek investments returns derived mostly from current income.

Investment Strategy

Fixed Income Funds should invest freely in investment grade fixed-income securities, including, but not limited to, government obligations, corporate debt securities, mortgage backed securities, guaranteed insurance contracts, bankers acceptances, cash and cash equivalents. The approach may be active management or a passive index approach.

Investment Selection Guidelines

1. Diversification by sector and industry other than U.S. Government securities is expected.
2. Fund net assets of at least \$100 million.
3. Three or more years of investment history, if available.
4. Average credit quality of A or better by Standard and Poor's or Moody's.
5. Returns that approximate or exceed the median level of peer group funds for rolling three-year periods.
6. Returns that approximate or exceed the median level of peer group funds for rolling five-year periods, if available.
7. Returns that approximate or exceed the benchmark for rolling five-year periods at reasonable levels of risk.
8. Less than 25% of the portfolio invested in international equities.

FIXED INCOME FUNDS - GLOBAL

Objective

Global Fixed Income Funds seek a level of total return that reflects current income and price fluctuation that is consistent with global debt securities with maturities in the range of one to fifteen years.

Performance Benchmark(s)

Salomon Brothers World Bond Index or such other index that most appropriately reflects the strategy

Typical Investor Profile

- Investors whose asset allocation plans call for global income-producing investments.
- Investors seeking a fixed-income base to help cushion equity market declines but who are also willing to accept fluctuations associated with longer-term maturities with diversification.
- Retired investors who seek investments returns derived mostly from current income.

Investment Strategy

Global Fixed Income Funds should invest freely in fixed-income securities, including, but not limited to, government obligations, corporate debt, mortgage-backed securities, guaranteed insurance contracts, banker's acceptances, cash, and cash equivalents. The approach may be active management or a passive index approach.

Investment Selection Guidelines

1. Fund net assets of at least \$100 million.
2. Three or more years of investment history, if available.
3. Returns that approximate or exceed the median level of peer group funds for rolling three-year periods.
4. Returns that approximate or exceed the median level of peer group funds for rolling five-year periods, if available.
5. Returns that approximate or exceed the benchmark for rolling five-year periods at reasonable levels of risk.
6. Typically, maximum U.S. holdings of 25%.
7. Diversification by industry.

FIXED INCOME FUNDS - HIGH YIELD

Objective

High Yield Fixed Income Funds seek a level of total return that reflects current income and price fluctuation that is consistent with non-investment grade debt securities with maturities of one year or greater.

Performance Benchmark(s)

Merrill Lynch High Yield Master Index
Salomon Brothers High Yield Market Index or such other index that most appropriately reflects the strategy

Typical Investor Profile

- Investors seeking high current income and who are willing to tolerate greater price fluctuations than typical fixed income funds.
- Investors with an understanding of and appreciation for the risk and reward trade-off inherent in lower-rated debt securities carrying higher levels of default risk than investment grade securities.
- Investors seeking to diversify holdings within their fixed income or total portfolios.

Investment Strategy

High Yield Fixed Income Funds should invest freely in fixed-income securities that are in the form of publicly placed, interest bearing domestic high yield debt.

Investment Selection Guidelines

1. Fund net asset of at least \$100 million.
2. Three or more years of investment history, if available.
3. Fund's average credit quality of B or better by Standard and Poor's or Moody's.
4. Returns that approximate or exceed the median level of peer group funds for rolling three-year periods.
5. Returns that approximate or exceed the median level of peer group funds for rolling five-year periods, if available.
6. Returns that approximate or exceed the benchmark for rolling five-year periods, at reasonable levels of risk.

TREASURY INFLATION PROTECTED SECURITIES (TIPS)

Objective

The fund seeks to provide inflation protection and income consistent with inflation-indexed securities and long-term returns that approximate or exceed the performance of the Lehman Brothers U.S. Treasury Inflation Notes Index.

Possible Performance Benchmark(s)

Lehman Brothers U.S. Treasury Inflation Notes Index or such other index that most appropriately reflects the strategy

Typical Investor Profile

Investors who seek higher income potential than with a money market fund, those who want to maintain a hedge against inflation, or who desire to balance more aggressive investments with one providing potentially steady income.

Investment Strategy

The fund will invest primarily in inflation-indexed bonds issued by the U.S. Government, its agencies and instrumentalities, and corporations.

Investment Selection Guidelines

1. Fund net assets of at least \$100 million
2. Three or more years of investment history, if available.
3. Average credit quality of A or better by Standard and Poor's or Moody's.
4. Returns should approximate or exceed the total return of the benchmark for rolling 5-year periods at reasonable levels of risk.

FIXED INCOME INDEX FUNDS

Objective

Fixed Income Index Funds seek long-term capital appreciation through passively investing in a portfolio designed to provide a return approximately equal to the performance of an unmanaged index. Index funds seek to minimize expenses by avoiding the costs associated with active portfolio management.

Performance Benchmark(s)

Lehman Aggregate Bond Index or such other index that most appropriately reflects the strategy

Typical Investor Profile

- Investors who want returns that should approximate those of specific sectors or total market segments of the U.S. debt markets with reduced expenses.

Investment Strategy

Index funds should invest in fixed income securities that will produce returns approximately equal to the return on the associated market indices. These funds should minimize management fees, transactions costs, and other expenses whose presence would cause shortfalls in performance relative to the underlying indices.

Investment Selection Guidelines

1. Fund net assets of at least \$100 million.
2. Three or more years of investment history, if available.
3. Returns that approximate the benchmark on an annual basis.
4. Returns that approximate or exceed the benchmark for rolling five-year periods at reasonable levels of risk.

LARGE CAP EQUITY FUNDS- DOMESTIC

Objective

Large Cap Equity Funds seek investment results that approximate or exceed the aggregate price and yield performance of the Standard & Poor's 500 Composite Index (or other index designed to measure the performance of large capitalization stocks) over a market cycle.

Performance Benchmark(s)

S&P 500	NASDAQ 100 Index
Russell 3000 Index	Russell 1000 Index
Wilshire Top 750	Russell 1000 Growth Index
Russell Top 200 Value	Russell 1000 Value Index
Russell Top 200 Growth or such other index that most appropriately reflects the strategy	

Typical Investor Profile

- Investors willing to tolerate fluctuations in share value to achieve long-term results.
- Investors who seek the growth potential that U.S. equity investments offer.
- Investors whose asset allocation plan calls for a U.S. equity investment.

Investment Strategy

Large Cap Equity Funds invest in equity securities of U.S. based companies with medium to large market capitalizations, with a blend of companies that are believed to be undervalued in the market.

Large Cap Equity Funds may pursue investment styles that include Aggressive Growth, Growth, Growth and Income, and Value

Investment Selection Guidelines

1. Fund net assets of at least \$100 million.
2. Three or more years of investment history, if available.
3. Average market capitalization of issuers of at least \$5 billion.
4. Less than 25% of the portfolio invested in international equities.
5. Returns that approximate or exceed the median level of peer group funds for rolling three-year periods.
6. Returns that approximate or exceed the median level of peer group funds for rolling five-year periods, if available.
7. Returns that approximate or exceed the benchmark for rolling five-year periods at reasonable levels of risk.

MID CAP EQUITY FUNDS-DOMESTIC

Objective

Mid-Cap Equity Funds seek capital appreciation by investing in equity securities issued by companies with medium market capitalizations.

Performance Benchmark(s)

S&P Mid Cap 400.

Russell Mid Cap Growth.

Russell Mid Cap Value or such other index that most appropriately reflects the strategy

Typical Investor Profile

- Investors willing to tolerate above-average fluctuations in share value to achieve long-term results.
- Investors seeking the potential for capital appreciation offered by medium market capitalization U.S. equity investments.
- Investors who seek returns that should approximate those of the mid-cap segment of the U.S. equity markets.
- Investors whose asset allocation plans call for a U.S. mid-cap equity investment.

Investment Strategy

Mid-Cap Equity Funds should invest a significant portion of their assets in securities of U.S. based companies with medium market capitalization. The portfolio should be managed such that the long-term risk and returns of the fund over its time horizon approximate those available from the S&P 400 Midcap Index or similar indices.

Investment Selection Guidelines

1. Fund net assets of at least \$100 million.
2. Three or more years of investment history, if available.
3. Average market capitalization of issuers in the range of \$1 billion and less than \$5 billion.
4. Less than 25% of the portfolio invested in international equities.
5. Returns that approximate or exceed the median level of peer group funds for rolling three-year periods.
6. Returns that approximate or exceed the median level of peer group funds for rolling five-year periods, if available.
7. Returns that approximate or exceed the benchmark for rolling five-year periods at reasonable levels of risk.

SMALL CAP EQUITY FUNDS-DOMESTIC

Objective

Small Cap Equity Funds seek long-term capital appreciation through investment in equity securities of small publicly traded companies.

Performance Benchmark

Russell 2000 Index

Russell 2000 Value Index

Russell 2000 Growth Index or such other index that most appropriately reflects the strategy

Typical Investor Profile

- Investors willing to tolerate above-average fluctuations in share value to achieve long-term results.
- Investors seeking the capital appreciation potential offered by small market capitalization U.S. equity investments.
- Investors seeking returns that approximate those of the small cap segment of the U.S. stock market.
- Investors whose asset allocation plans call for a U.S. small cap equity investment.

Investment Strategy

Small Cap Equity Funds should invest in equity securities of U.S. based companies with small market capitalization. The portfolio should be managed such that the long-term risk and returns of the fund over its time horizon approximate those available from the Russell 2000 Index.

Investment Selection Guidelines

1. Fund net assets of at least \$100 million.
2. Three or more years of investment history, if available.
3. Average market capitalization of issuers of less than \$1 billion.
4. Less than 25% of the portfolio invested in international equities.
5. Returns that approximate or exceed the median level of peer group funds for rolling three-year periods.
6. Returns that approximate or exceed the median level of peer group funds for rolling five-year periods, if available.
7. Returns that approximate or exceed the benchmark for rolling five-year periods at reasonable levels of risk.

INTERNATIONAL AND GLOBAL EQUITY FUNDS

Objective

International Equity Funds seek to provide global diversification through investment in the equity securities of non-U.S. companies. Global Equity Funds seek to provide diversification through investment in the equity securities of both U.S. and non-U.S. companies.

Performance Benchmark(s)

MSCI Europe Index

MSCI World Index

MSCI EAFE Index

MSCI Pacific Index

MSCI World Ex-US Index or such other index that most appropriately reflects the strategy

Typical Investor Profile

- Investors willing to accept above-average fluctuations in share value to achieve attractive long-term results.
- Investors whose asset allocation plans call for international equity investments.
- Investors seeking the diversification and return potential that foreign mixture of U.S. and foreign equity investments offer.

Investment Strategy

International Equity Funds should invest in non-U.S. equity securities. Global Equity Funds should invest in a combination of U.S. and non-U.S. securities. For both categories, the portfolio should be managed such that the risk and returns available on these funds over the time horizon approximate those available from a MSCI Index that models the individual fund's investment objective.

Investments Selection Guidelines

1. Fund net assets of at least \$100 million.
2. Three or more years of investment history, if available.
3. Average market capitalization of issuers at least \$1 billion.
4. Returns that approximate or exceed the median level of peer group funds for rolling three-year periods.
5. Returns that approximate or exceed the median level of peer group funds for rolling five-year periods, if available.
6. Returns that approximate or exceed the benchmark for rolling five-year periods at reasonable levels of risk.
7. Typically, U.S. holdings of no more than 25% for International Funds.

EMERGING MARKETS FUNDS

Objective

Emerging Market Funds seek to provide global portfolio diversification through investment in companies located in countries which are less developed than the United States but are experiencing an increasing rate of economic expansion.

Performance Benchmark

MSCI Emerging Markets Index or such other index that most appropriately reflects the strategy

Typical Investor Profile

- Investors seeking to take advantage of the return potential in developing countries but who have an understanding of and tolerance for other risk factors including currency fluctuations and more volatile economic and political environments in these emerging markets.
- Investors seeking portfolio diversification offered by foreign investments which have historically exhibited lower correlation with the U.S. market.
- Investors willing to accept above-average fluctuations in share value to achieve attractive long-term results.
- Investors whose asset allocation plans call for international equity investments.

Investment Strategy

Emerging Markets Funds should invest in equity securities of the world's emerging economies. The portfolio should be managed such that the risk and returns available on this fund over the time horizon approximates those available from the MSCI Emerging Markets Index.

Investment Selection Guidelines

1. Fund net assets of at least \$100 million.
2. Three or more years of investment history, if available.
3. Returns that approximate or exceed the median level of peer group funds for rolling three-year periods.
4. Returns that approximate or exceed the benchmark for rolling three-year periods at reasonable levels of risk.

EQUITY INDEX FUNDS

Objective

Equity Index Funds seek long-term capital appreciation by passively investing in a portfolio of securities designed to provide a return approximately equal to the performance of an unmanaged stock index. Different index funds target different components of the equity market. Index funds seek to minimize expenses by avoiding the costs associated with active portfolio management.

Performance Benchmark(s)

S&P 500 Wilshire Top 750
Wilshire 5000 or such other index that most appropriately reflects the strategy

Typical Investor Profile

- Investors seeking returns that should approximate those of specific sectors or total market segments of the U.S. equity markets with reduced expenses.

Investment Strategy

Index funds should invest in equity securities that will produce returns approximately equal to the return on the associated market indices. These funds should limit management fees, transactions costs, and other expenses whose presence would cause shortfalls in performance relative to the underlying indices.

Investment Selection Guidelines

1. Fund net assets of at least \$100 million.
2. Three or more years of investment history, if available.
3. Returns that approximate the benchmark on an annual basis.
4. Returns that approximate or exceed the benchmark for rolling five-year periods at reasonable levels of risk.

BALANCED FUNDS

Objective

Balanced Funds seek to secure total returns from a blend of fixed income and common stock investments.

Performance Benchmark(s)

A blended index appropriate for the particular asset allocation strategy.

Typical Investor Profile

- Investors willing to allow fund management to periodically determine and change, if needed, the fund allocation percentages based on management's beliefs about the prospects of future markets.
- Investors seeking to achieve diversification across asset classes by investing in one fund.
- Investors who wish a professional fund manager to allocate funds across different asset classes depending on his/her age and/or risk tolerance.

Investment Strategy

Balanced Funds allocate assets among the three primary asset classes (stocks, bonds and cash) which are regularly reviewed and gradually adjusted to reflect a mix providing the most favorable total return outlook based on current market conditions, as determined by fund management.

Investment Selection Guidelines

1. The fund's investment strategy for equities should emphasize diversification across industries to avoid excessive concentration in a few industries.
2. Fund net assets of a least \$100 million.
3. Typically, no less than 10% of fund assets invested in investment grade, fixed-income securities.
4. Maximum international exposure of 25%.
5. Three or more years of investment history, if available.
6. Returns that approximate or exceed the median level of peer group funds for rolling three-year periods.
7. Returns that approximate or exceed the median level of peer group funds for rolling five-year periods, if available.
8. Returns that approximate or exceed the benchmark for rolling five-year periods at reasonable levels of risk.

SPECIALTY FUNDS – REAL ESTATE INVESTMENT FUNDS

Objective

Real Estate Investment Funds seek to provide current income and portfolio diversification through investment in high yielding real estate investments.

Performance Benchmark

Wilshire REIT Index or such other index that most appropriately reflects the strategy

Typical Investor Profile

- Investors seeking portfolio diversification offered by Real Estate Investment Funds whose pattern of returns have historically differed from the U.S. debt and equity markets.
- Investors who seek higher yields than are available on typical equity investments.
- Investors who seek to hedge inflation through exposure in real estate related investments.
- Investors who have an understanding of and appreciation for the risk factors inherent in real estate related investments such as interest rate sensitivity and responsiveness to economic growth and the rate of inflation.

Investment Strategy

Real Estate Investment Funds should invest primarily in REITs (real estate investment trusts), professionally managed firms that specialize in the development and management of real-estate properties. Examples of different types of sector specific REITs include apartment, factory outlet, health care, and hotel (or other securities with returns derived from the performance of real estate).

Investment Selection Guidelines

1. Fund net assets of at least \$50 million.
2. Three or more years of investment history, if available.
3. Returns that approximate or exceed the benchmark for rolling three-year periods.
4. Returns that approximate or exceed the benchmark for rolling five-year periods, at reasonable levels of risk.

USE OF CONSULTANTS AND OTHER SERVICE PROVIDERS

The IPC may retain financial consultants, whose functions will include:

- Rendering advice and/or guidance on investment policy regarding the management of Plan assets.
- Providing formal periodic reviews, no less than annually, to the IPC and formal annual reviews to the BOV on the performance of existing investment options based on the established criteria. This includes recommendations for changes where appropriate.
- Recommendations regarding communications and investment options based on Plan participant demographics, Plan participation rates, deferral rates, and the allocation of Plan participant account balances.

The IPC may retain the services of other professionals in order to aid the BOV in discharging its obligations under this IPS. Such consultants and service providers may include:

- Trustees
- Investment Fund Managers
- Record keepers/Administrators
- Financial Consultants
- Tax Advisors
- Auditors
- Lawyers
- Accountants

RESPONSIBILITY AND PERIODIC REVIEW

On a periodic basis, no less than annually, the IPC, with the assistance of its consultant(s), if applicable, shall make additions, deletions or changes in investment options offered under the Plans after completing all of the following:

- Compare each investment option's results with appropriate indices or benchmarks.
- Measure and review each investment option's performance and expense ratios.
- Review each investment option's adherence to the IPS selection guidelines and apply the Investment Option Termination Guidelines, as appropriate.
- Analyze each investment option's historical risk and performance characteristics against its relevant benchmark.
- Identify any material changes in any investment option's (or its investment advisors) organization, investment philosophy, personnel, and/or fee structure.
- Review all vendor, consultant and service provider fees.
- Review Plan participant account balances and elections for trends pertinent to investment performance

On a periodic basis, no less than annually, the BOV shall:

- Examine the annual summary of additions, deletions or changes in investment options made by the IPC. .
- Make revisions to the IPS to reflect changing conditions within the Plans, or to refine the IPS in order to make it more effective.
- Consider any recommendations of the IPC regarding more suitable investment options.
-

Investment Option Termination Guidelines

Investment options will be reviewed for possible termination on an on-going basis. Reasons for termination may include, but are not limited to the following:

- Significant failure to meet the requirements of the Investment Option Selection Guidelines.
- Significant under-performance or other variation relative to the investment option's benchmark.
- Acceptance of significantly more risk than the investment option's benchmark index.

- Where appropriate, indicators of risk (i.e. effective maturity, weighted coupon, and duration) differ significantly from the option’s peer universe.
- Change or loss of key personnel of an investment option (or its investment advisor).
- Significant increase or decrease of assets under management over a 12-month period (that are unrelated to changes in market value).
- A real or perceived change in investment style or discipline.
- Failure to attain a majority vote of confidence of the IPC.

VOTING OF PROXIES

In accord with the right of Plan participants to direct the investment of their Plan accounts, where applicable, the right to vote proxies and tender shares of any investment option held in their account will be passed through to the Plan participants. If a Plan participant fails to exercise such right, neither the BOV nor the Trustee(s) shall vote such proxies or tender such shares, as the case may be.

AMENDMENT AND TERMINATION

This IPS may be amended or terminated upon the written recommendation of the BOV.

Acknowledged by:

Name

Title

Date