

INVESTMENT COMMITTEE

MAY 22, 2018



KENNETH A. SIMPLER
STATE TREASURER

Investment Policy Statement (IPS)

- Step 1: OST Reviewed “Best of Breed”
- Step 2: IPS Draft
- Step 3: Consultation with Cammack
- Step 4: Share IPS Draft with Investment Committee and Gather Feedback



II. Statement of Purpose

1. [The IPS has been approved in draft form as of June 12, 2018. The Investment Committee shall for a period of one year periodically revisit and compile potential changes to the draft IPS. The Investment Committee shall thereafter promptly recommend to the Board a version for final approval.]



IV. Program Design

1. [The current lineup of target date funds are set forth on Exhibit 1.]
2. [The current lineup of Tier 2 funds are set forth on Exhibit 2. Exhibit 2 also reflects the fees payable to the third-party investment advisor, if applicable.]
3. [The current provider and brokerage fee structure for Tier 3 services is set forth on Exhibit 3.]



V. Review of Program Design

1. [The Investment Committee, in its discretion, may inquire and make recommendations to the Board as to whether to restrict access to certain investment options available through the brokerage window.]
2. [Except as set forth in this Section V. B., the selection, monitoring and removal of outside Plan-related vendors shall be governed by the Board's vendor management policy.]



VI. Selection and Review of Tier 1 Target Date Funds

1. [with the understanding that the target date suite universe is very broad and each target date suite of funds differs from the others.]
2. [Whether minimizing risk on a static scale at retirement is desired (i.e., managing the glide path “to” retirement) versus maximizing savings “through” life expectancy, with a more aggressive glide path after retirement.]
3. [Inception of target date fund, which should be at least 3 years.]



VI. Watch List and Termination of Tier 1 and Tier 2 Options

1. [usually four consecutive quarters]
2. [The Investment Committee, in its discretion, may formulate and recommend to the Board rules related to watch list decisions, including criteria for automatic placement of funds on the watch list.]
3. [The Board may, in its sole discretion, direct the Provider to provide notice to all affected participants concerning the reasons for any such placement.]



XI. Consultants

1. [The Investment Committee, in its discretion, may formulate and recommend to the Board rules governing the investment consultant's reporting obligations, including the frequency and form of periodic reports concerning the performance of investment options.]



XII. Miscellaneous Provisions

1. Proxy Voting
2. Excessive Trading
3. Socially Responsible Mandates

