

**INVESTMENT POLICY STATEMENT
FOR ERISA §404(c) PLANS
Checklist**

This checklist is designed to provoke discussion about how the plan's investment committee and/or trustees select and monitor investments available to participants in the plan. From that discussion an Investment Policy Statement for the plan can be generated.

Evaluate plan and participant needs

- Age ranges
- Death/Disability assumptions
- Longevity in retirement
- Role/responsibility of fiduciaries and consultants

State the investment objectives and goals

- Long-term growth
- Aggressive growth
- Preservation of principal
- Overall annual performance goal

Develop criteria for selection process

- Investment managers
- Mutual funds
- Other investments

Standards/benchmarks of investment performance

- Lipper ratings (peer comparisons)
- Morningstar reports (star ratings)
- Stock indexes (DJIA, S&P, NASDAQ, Wilshire, Russell)
- Volatility (beta factors)

Classes/styles of authorized investments

- Core funds:
 - Stable value (money market or GIC)
 - Fixed assets (bonds)
 - Stocks (large US blend)
- Recommended alternatives – stock funds:
 - Large US value
 - Small US blend
 - Small US value
 - Large international
- Other options:
 - Short-term bonds
 - Hi-Yield bonds
 - Global bonds
 - Large US growth stocks

INVESTMENT POLICY STATEMENT (con't)

Other options (con't)

- Small US growth stocks
- Mid-cap US stocks
- Real estate
- Small International stocks
- Value International stocks
- Emerging market stocks

Diversification within and among investment classes/styles

- Growth/value/blend stocks
- Large/small/blend stocks
- Short-/mid-/long-term bonds

Investment restrictions

- Trading/transfer timing
- Outside brokerage options
- Distribution timing

Reporting procedures/timing

- Participant reports
- Investment performance updates

Procedures for monitoring investment performance

- Timing for investment committee reviews (quarterly/semi-annual/annual)
- Comparison against benchmarks
- Minimum acceptable investment returns
- Policy with respect to fund manager changes
- Criteria/process for making changes