



Investment Policy Statement

For

SAMPLE COMPANY

Address

City, State Zip

John Keenan, CFP

Senior Advisor

8607 Westwood Center Dr., 3rd Fl

Vienna, VA 22182

703.287.7151

Introduction

The purpose of this Investment Policy Statement (IPS) is to establish a clear understanding between **Sample Company** and SEIA as to the investment goals and objectives and management policies applicable to the Investor's investment Portfolio. Hereinafter, **Sample Company** will be referred to as Company, and hereinafter SEIA will be referred to as Advisor.

The Company sponsors a defined contribution plan (the "Plan") for the benefit of its employees and their designated beneficiaries. The Company will appoint a Committee to serve as the Plan fiduciary. The Plan is intended to provide participating employees long-term accumulation of savings through contributions to individual participant accounts and the earnings thereon.

The Plan is a qualified employee benefit plan intended to comply with all applicable federal laws and regulations, including section 401(a) of the Internal Revenue Code of 1986, as amended, and the Employee Retirement Income Security Act of 1974 (ERISA), as amended. In addition, the Plan is intended to comply with ERISA Section 404(c).

The Plan's participants and beneficiaries are expected to have different investment objectives, time horizons and risk tolerances. To meet these varying investment needs, participants and beneficiaries will be able to direct their account balances among a range of investment options to construct diversified portfolios that reasonably span the risk/return spectrum. Participants and beneficiaries alone bear the risk of investment results from the options and their asset allocation.

This Investment Policy Statement is intended to assist the Plan's fiduciaries by establishing guidelines for making investment-related decisions in a prudent manner. It outlines the underlying philosophies and processes for the selection, monitoring and evaluation of the investment options offered by the Plan.

Specifically, this Investment Policy Statement:

- Defines the Plan's investment objectives.
- Defines the roles of those responsible for the Plan's investments.
- Describes the criteria and procedures for selecting the investment options.
- Establishes investment procedures, measurement standards and monitoring procedures.
- Describes corrective actions the committee can take should investment options and investment managers fail to satisfy established objectives.
- Describes the types of educational materials to be provided to Plan participants and beneficiaries.
- Describes ways to comply with fiduciary obligations and applicable laws and regulations.

This Investment Policy Statement will be reviewed periodically, and, if appropriate, may be amended to reflect changes in the capital markets, plan objectives, or other factors relevant to the Plan.

This Investment Policy Statement (including the criteria for the selection and monitoring of investment options under the Plan) does not apply to employer securities (also known as Company stock) if offered under the Plan.

This IPS is not a contract. Legal counsel has not reviewed this investment policy statement. The Advisor and the Company use it at their own discretion. This IPS is intended to be a summary of an investment philosophy and the procedures that provide guidance for the Company and the Advisor. These policies will be reviewed and revised periodically to ensure they adequately reflect any changes related to the Portfolio, to the Investor or to the capital markets.

It is understood that there can be no guarantee about the attainment of the goals or investment objectives outlined herein.

Information about Signature Estate & Investment Advisors, LLC (SEIA) can be found in Part II of Form ADV. To obtain an updated version of Form ADV Part II, please call Mike Van Kleeck at **(800) 723-5115** or email the request to ContactUs.SEIA@JHNetwork.com

Securities offered through Signator Investors, Inc., Member FINRA, SIPC, 2121 Avenue of the Stars, Suite 1600, Los Angeles, CA 90067.
SEIA, LLC and its investment advisory services are offered independent of Signator Investors, Inc., and any subsidiaries or affiliates.

Part I. INVESTMENT OBJECTIVES

The Committee will select the Plan's investment options based on criteria deemed relevant, from time to time, by the Committee. These criteria may include, but are not limited to, the following:

- Maximization of return within reasonable and prudent levels of risk.
- Provision of returns comparable to returns for similar investment options.
- Provision of exposure to a wide range of investment opportunities in various asset classes and vehicles.
- Control administrative and management costs.
- Provision of appropriate diversification within investment vehicles.
- Investment manager's adherence to stated investment objectives and style.

Part II. ROLES AND RESPONSIBILITIES

Subject to the terms of the Plan document, the Committee is responsible for selecting the trustee(s); hiring the recordkeeper; hiring the investment consultant; selecting the investment options(s), and selecting an investment(s) for default(s) when a participant or beneficiary fails to provide investment direction. The Committee is also responsible for:

- Establishing and maintaining the Investment Policy Statement.
- Periodically evaluating the Plan's investment performance and recommending investment option changes.
- Periodically monitoring the service providers and investment consultant.
- Periodically monitoring Plan costs.
- Providing for Plan participant investment education and communication.

In executing its responsibilities, the Committee will make decisions solely in the interest of Plan participants and beneficiaries, for the exclusive purpose of providing Plan benefits and defraying reasonable administrative costs. All investments selected by the Committee are intended to meet requirements of ERISA section 404(c).

Part III. MONITORING OF SERVICE PROVIDERS

Service providers should be monitored on a regular basis or more frequently if applicable. Administrative and/or recordkeeping service providers may be benchmarked against, but not limited to, industry averages and/or other provider quotes. Monitoring for these service providers should include, but not be limited to, the provider's:

- Investment offerings and services
- Recordkeeping technology and services
- Compliance services and support
- Technology
- Participant access and communications
- Total Plan costs

The monitoring of the plan provider(s) is to ensure that total plan costs and services are competitive and reasonable.

Investment consultant service providers (plan and participant level) should be monitored regularly and should include, but not be limited to, the provider's:

- Investment Due Diligence processes
- Fiduciary guidance and services
- RPF/Benchmarking scope and services
- Technology
- Participant level access, communications and advice (if applicable)
- Cost

Part IV. SELECTION OF INVESTMENT OPTIONS

The selection of investment options offered under the Plan is among the Committee's most important responsibilities. Set forth below are the considerations and guidelines employed in fulfilling this fiduciary responsibility.

The Plan intends to provide an appropriate range of investment options that may span the risk/return spectrum. Further, the Plan's investment options are intended to allow Plan participants to construct portfolios consistent with their unique individual circumstances, goals, time horizons and tolerance for risk. Major asset classes to be considered may include, but are not limited to:

Conservative Investments

Cash and liquid investments including, but not limited to, money market, stable value, and guaranteed interest accounts.

Income Investments

Income oriented investments including, but not limited to, low, medium, and high quality bond funds, with short, intermediate, and/or long term duration. Management styles may be indexed and actively managed international, global, and domestic styles.

Equity Investments

Funds that invest in equity securities, both domestic and foreign, including, but not limited to, small, medium, and large market capitalization, with value, blend, and growth investment objectives, which may be actively managed or indexed.

Asset Allocation Investments

Funds or accounts that invest in a combination of conservative, income, and equity investments, "fund of funds" accounts combining several of the above investments into one or a series of investments, and "manager of managers" accounts combining several different investment styles and fund managers into one account or a series of accounts.

Other Investments

Other appropriate investments in other styles or asset classes offered through vehicles such as commingled trusts, insurance company separate accounts through a group annuity contract, and mutual funds. Notwithstanding the foregoing, the Committee may consider, but is not required, to include in the investment menu any specific investment asset class, option, or style.

Default Investment(s)

The Investment Committee will evaluate and choose an investment or set of investments to serve as the default investment(s) for the Plan. The default investment(s) will be the designated investment for dollars contributed to the Plan by participants and/or the employer for which the Plan has not received investment direction.

The default investment will be selected to comply with the requirements of ERISA section 404(c)(5) and the regulations promulgated thereunder as a qualified default investment alternative ("QDIA").

After determining the desired asset classes, the Committee will evaluate and choose the desired investment option(s) for the Plan's investment menu. If an investment manager (responsible for the management of the underlying investment vehicle, such as a mutual fund, commingled account or separate account) is chosen as the investment option, the following minimum criteria should be considered:

1. The investment manager should be a bank, insurance company, investment management, mutual fund company or an investment advisor under the Registered Investment Advisors Act of 1940;
2. The investment manager should operate in good standing with regulators and clients, with no material pending or concluded legal actions against it; and
3. All relevant quantitative and qualitative information on the fund manager and fund should be made available by the manager and/or vendor.

In addition to the minimum criteria above, all investments under consideration should meet the following standards for selection:

1. Investment performance should be competitive with an appropriate style-specific benchmark and the median return for an appropriate, style-specific peer group (where appropriate and available, long-term performance of an investment manager may be inferred through the performance of another investment with similar style attributes managed by such investment manager);
2. Specific risk and risk-adjusted return measures should be reviewed by the Committee and be within a reasonable range relative to appropriate, style-specific benchmark and peer group;
3. The investment manager should demonstrate adherence to the stated investment objective, without excess style drift over trailing performance periods;
4. Fees and fee structures should be competitive compared with similar investments reasonably available to the Plan;
5. The investment manager should exhibit attractive qualitative characteristics, including, but not limited to, acceptable manager tenure; and
6. The investment manager should be able to provide performance, holdings, and other relevant information in a timely fashion with specified frequency.

Furthermore, investment managers (to be used interchangeably with the term “fund” throughout the Investment Policy Statement) will be evaluated and selected utilizing an investment manager “score card,” detailed in Part VII (Investment Monitoring and Reporting).

Finally, any fiduciary warranty or guarantee offered by the service provider will be considered in the investment selection process, but will not supersede the provisions of this Investment Policy Statement.

Part V. INVESTMENT MONITORING AND REPORTING

The ongoing monitoring of investments is a regular and disciplined process. Monitoring confirms that the criteria remain satisfied and that an investment option continues to be appropriate. The process of monitoring investment performance relative to specified guidelines will be consistently applied. Frequent change of investments is neither expected nor desired.

The Committee will bear in mind any and all political, social, economic or other changes that may potentially require more frequent review and consideration of investments. The following are some, but not all, general factors that may be considered in ongoing monitoring:

- Current regulatory environment,
- Current state of capital markets,
- Performance of investment alternatives,
- Utilization of accounts by Plan demographic,
- The prudent applicability of this Investment Policy Statement as written, in light of prevailing facts and circumstances.

Monitoring will utilize the same investment selection criteria used in the original selection analysis. Unusual, notable, or extraordinary events will be communicated by the investment manager and/or vendor on a timely basis to the Committee. Examples of such events include portfolio manager or team departure, violation of investment guidelines, material litigation against the investment management firm, or material changes in firm ownership structure and announcements thereof.

If overall satisfaction with the investment option is acceptable, no further action is required. If areas of dissatisfaction exist, the investment manager must take steps to remedy the deficiency. If over a reasonable period the manager is unable to resolve the issue, removal of the investment option may result.

For supported asset classes, an investment manager “score card” will be maintained and documented (see addendum) to substantiate acceptable levels of manager performance and appropriate style characteristics. Based upon objective criteria, derived from Modern Portfolio Theory concepts, each fund will receive a score reflecting its overall performance.

If a fund fails to meet the criteria standards, as determined by its score, it will be placed on a “watch list.” (In the event a fund receives a score which is below that of “watch list” status, or experiences extraordinary circumstances which may render it inappropriate to maintain, it may be considered for removal at the earliest administratively reasonable date.) If this fund continues to remain on “watch list” for the following three quarters, or four of the following seven quarters, the fund should be considered for possible removal.

If the fund meets criteria standards for four consecutive quarters, it may be removed from the watch list.

Index funds are not scored. However, the appropriate statistics (R-squared and tracking error) should be monitored to ensure the fund is tracking the appropriate benchmark. Index funds are not designed to out-perform the “market.” Their investment strategy replicates a benchmark or index, thus no score is applied due to their passive investment nature and objectives.

Asset Allocation funds and/or accounts will be scored and monitored using the previously described guidelines. Unlike other funds which are monitored and scored individually, these funds should be evaluated as a group. Due to the unique importance of these professionally managed vehicles for participants in the plan, funds or accounts failing to achieve criteria standards will be carefully reviewed before removal from the plan (in the absence of a reasonable alternative). In addition, funds with short time history should be evaluated qualitatively.

Investments where no score is applied due to specialty focus, short time history or other unique circumstances should be reviewed using a qualitative framework.

The foregoing investment monitoring criteria shall not, under any circumstances, be taken as definitive, conclusive, or controlling for removal, termination, or continuation of an investment option. All determinations should be made by the Committee, in its sole discretion, taking into consideration all relevant facts and circumstances.

The Company retains full responsibility for the offering and monitoring of any self-directed brokerage account(s) and/or company stock offered as an investment option, which will be reviewed periodically as determined by the Company based on criteria determined by the Company. Special considerations should be contemplated and discussed before allowing either as an investment option.

Part VI. MANAGER REMOVAL

An investment manager (i.e., fund) may be removed when the Committee has lost confidence in the manager’s ability to:

- Achieve performance, style, allocation, and/or risk objectives.
- Maintain acceptable qualitative standards (e.g., stable organization, compliance guidelines).

If the investment manager has failed to adhere to and/or remedy one or both of the above conditions, the fund should be considered for removal from the plan.

Any decision by the Committee to remove such a fund will be made on an individual basis, and will be made based on all the known facts and circumstances, including, but not limited to:

- The objective analysis (described above)
- Administrative impact on the plan
- Timing
- Employee communication issues
- The availability of other (potential replacement) managers
- Underwriting and plan provider limitations
- Financial considerations (hard and soft dollar fees)
- Professional or client turnover
- A material change in the investment process
- Other relevant factors

Considerable judgment should be exercised in the manager removal decision-making process. A manager should be removed using one of the following approaches:

- Remove and replace (map assets) with an alternative manager.
- Freeze the assets managed by the removed manager and direct new assets to an alternative manager.
- Phase out the manager over a specific time period.
- Remove the manager and do not provide a replacement manager.

Replacement of a removed manager follows the criteria outlined in Part VI (Selection of Investment Options).

Part VII. PARTICIPANT EDUCATION AND COMMUNICATION

The Plan should communicate to employees that they can direct their own investments and investment changes. Investment communications materials, educational materials, and enrollment support should be available to help Plan participants make educated and informed choices, including:

1. Periodic enrollment and investment education as outlined and agreed upon in the separate Education Plan Services;
2. ERISA Section 404(c) disclosure;
3. Summary plan description made available to all participants;
4. General information regarding investment risk, inflation, potential taxation impact, investment earnings, and asset classes;
5. Other investment tools (e.g., investment risk profile questionnaire) to assist participants and beneficiaries in making educated and informed investment decisions; and
6. All additional information required for disclosure by ERISA, the Internal Revenue Code of 1986, and all other Federal and state statutes and all regulations promulgated hereunder, and all regulatory guidance provided thereto.

Notwithstanding the foregoing, all investment education provided by the Plan and/or Committee, and all communications connected thereto, is not intended, nor shall it be construed, as investment advice to Plan participants.

Part VIII. COORDINATION WITH THE PLAN DOCUMENT

Notwithstanding the foregoing, if any term or condition of this Investment Policy Statement conflicts with any section of ERISA or the Internal Revenue Code, or regulations promulgated hereunder, or any term or condition in the Plan document, the terms and conditions of ERISA, the Internal Revenue Code, and the Plan document shall control.

Part IX. ERISA 404(c)

The Company and the Committee intend for the Plan to comply with ERISA Section 404(c) and the regulations there under. Each participant/beneficiary is provided the opportunity to exercise control and to give instructions over his/her account with a frequency that is appropriate for each investment option and, finally, to choose from a broad range of investment options. Plan fiduciaries are thus relieved from liability for investment performance directly resulting from investment decisions made by Plan participants.

The intention to comply with ERISA Section 404(c), and the regulations promulgated hereunder, will be communicated to employees in writing.

Part X. INVESTMENT INFORMATION AND ADMINISTRATIVE SUPPORT

The Committee should require the investment manager and/or service provider (administrator, recordkeeper) to offer the following administrative information and support:

1. Daily valuation of all investments;
2. Daily access to account information via toll-free number and Internet access;
3. The ability to make investment transfers for both existing and future individual account balances on a daily basis (non-business days and holidays excluded). Certain trading practices may be limited to comply with market timing, excess trading, liquidity driven and/or related policies and procedures of the service provider and/or specific investment options;

4. Participant account investment reports produced no less frequently than annually, with similar information available via the Internet at least quarterly; and
5. Quarterly investment performance updates available for participant review via the Internet.

Part XI. REVIEW PROCEDURES

This Investment Policy Statement will be periodically reviewed and amended, if appropriate, at any time and without notice, by action of the Committee.

It is not expected that this Investment Policy Statement will change frequently. In particular, short-term changes in the financial markets should not require amendments to this Investment Policy Statement.

Addendum to Part V: INVESTMENT MONITORING AND REPORTING

The ScorecardSM System

Methodology:

The ScorecardSM System methodology incorporates both quantitative and qualitative factors into evaluating fund managers and their investment strategies. The scoring system is built around pass/fail criteria, on a scale of 0 to 10 (with 10 being the best).

Eighty percent of the fund's score is quantitative, incorporating modern portfolio theory statistics, quadratic optimization analysis, and peer group rankings (among a few of the quantitative factors). There are eight factors, which are explained on the next page (titled "Quantitative Factors"). Funds are evaluated over a 5 year period unless a fund option in that asset class has less than 5 years but greater than 3 years of performance, in which case the fund with under 5 years of history may be evaluated. Funds with less than 3 years of performance history are omitted from the analysis and removed from consideration.

The other 20% of the score is qualitative, taking into account manager tenure, the fund's expense ratio relative to the average fund expense ratio in that asset class category, and the fund's strength of statistics (statistical significance). Other criteria that may be considered in the qualitative score includes the viability of the firm managing the assets, management or personnel issues at the firm, and/or whether there has been a change in direction of the fund's stated investment strategy.

Combined, these factors are a way of measuring the relative performance, characteristics, behavior and overall appropriateness of a fund for inclusion into a plan as an investment option. General fund guidelines are shown in the "Scorecard Point System" table below.

Scorecard Point System	
Good:	9-10 Points
Acceptable:	7-8 Points
Watch List:	5-6 Points
Poor:	0-4 Points

Large Cap Blend - Executive Summary

Asset Class Review

U.S. large cap equity posted a positive 2.07% return (as measured by the S&P 500 index) over the 4th quarter. For 2010, large cap equity returned 8.16%. The asset class continues to underperform the risk-adjusted bond class but offers opportunities for real estate investment (REITs), which were up 12.27% and a 50% (blended) increase for the year, respectively.

Two funds were top-ranked in the asset class in order of their information ratios. Each funds have strategies come in the asset class a high 100 towards value. The MF-Capital Opportunity fund received a 10 in the qualitative section due to its recent change in charge. The index fund, the S&P 500 index, is another viable investment option.

Investment Analysis Scorecard

Large Blend	Top 10	Top 25	Top 50	Top 100	Top 200	Top 500	Top 1000	Top 2000	Top 5000	Top 10000	Top 20000	Top 50000	Top 100000
AMF BOND VALUE	0	0	1	1	1	1	1	1	1	1	1	1	1
AMF BOND EQUITY A	0	0	0	1	0	0	1	1	1	1	1	1	1
Chen M Venture A	1	0	1	1	1	1	1	1	1	1	1	1	1
Chen M Venture B	1	0	1	1	1	1	1	1	1	1	1	1	1
Windsor 500 Bond	1	0	1	1	1	1	1	1	1	1	1	1	1
Windsor 500 Bond	1	0	1	1	1	1	1	1	1	1	1	1	1
Windsor 500 Bond	1	0	1	1	1	1	1	1	1	1	1	1	1

Investment Rank

1. Chen M Venture A
2. Chen M Venture B
3. Chen M Venture C

Index Funds:
Windsor 500 Index**

Down Capture Analysis

The MF-Capital Opportunity fund was ranked the top performer in the asset class. The MF-Capital Opportunity fund was ranked the top performer in the asset class. The MF-Capital Opportunity fund was ranked the top performer in the asset class.

Sample Scorecard Summary and investment report excerpt

Fund Name	Asset Class	Score	Rank	Info Ratio	Volatility	Correlation	Sharpe Ratio	Max Drawdown	Turn of Mind	Investment Rank
AMF BOND VALUE	Bond	10	1	0.78	0.01	0.99	0.78	-10.00	10/10	1
AMF BOND EQUITY A	Equity	10	2	0.79	0.02	0.99	0.79	-10.00	10/10	2
Chen M Venture A	Equity	10	3	0.78	0.02	0.99	0.78	-10.00	10/10	3
Chen M Venture B	Equity	10	4	0.78	0.02	0.99	0.78	-10.00	10/10	4
Windsor 500 Bond	Bond	10	5	0.78	0.02	0.99	0.78	-10.00	10/10	5
Windsor 500 Bond	Bond	10	6	0.78	0.02	0.99	0.78	-10.00	10/10	6
Windsor 500 Bond	Bond	10	7	0.78	0.02	0.99	0.78	-10.00	10/10	7

Evaluation Criteria

Quantitative Factors (1-8):

- 1) **Style Analysis:** Returns-based analysis to determine the style characteristics of a fund over a period of time. Fund passes if it reflects the appropriate style characteristics. Style analysis helps ensure proper diversification in the plan.
- 2) **Style Drift:** Returns-based analysis to determine the behavior of the fund/manager over multiple (rolling) time periods. Fund passes if the fund exhibits a consistent style pattern. Style consistency is desired so that funds can be effectively monitored within their designated asset class.
- 3) **R-Squared:** Measures the % of a fund's returns that are explained by the benchmark. Fund passes with an R2 > 80%. This statistic measures whether the benchmark used in the analysis is appropriate.
- 4) **Risk/Return:** Fund passes if its risk is less than the benchmark or its return is greater than the benchmark. Favorable risk/return characteristics are desired.
- 5) **Up/Down Capture Analysis:** Measures the behavior of a fund in up and down markets. Fund passes with an up capture > its down capture. This analysis measures the relative value by the manager in up and down markets.
- 6) **Information Ratio:** Measures a fund's relative risk and return. Fund passes if ratio is > 0. This statistic measures the value added above the benchmark, adjusted for risk.
- 7) **Returns Peer Group Ranking:** Fund passes if its median rank is above the 50th percentile.
- 8) **Information Ratio Peer Group Ranking:** Fund passes if its median rank is above the 50th percentile. This ranking ranks risk adjusted excess return.

Style Factors – 30%

Risk/Return Factors – 30%

Peer Group Rankings – 20%

* Asset Allocation Portfolios

The evaluation criteria utilizes the same metrics as the Core Asset Classes, with the following exceptions. For example, 1) Risk Level, below, replaces 1) Style Analysis, left.

1) **Risk Level:** The fund's standard deviation is measured against the category it is being analyzed in. The fund passes if it falls within the range for that category.

2) **Style Diversity:** Fund passes if it reflects appropriate style diversity (returns-based) among the four major asset classes (Cash, Fixed Income, U.S. & International Equity) for the given category.

3) **R-Squared:** Measures the % of a fund's returns that are explained by the benchmark. Fund passes with an R2 > 90%.

8) **Sharpe Ratio Peer Group Ranking:** Fund passes if its median rank is above the 50th percentile. This ranking ranks risk adjusted return.

Qualitative Factors (9-10):

- 9-10) Two points may be awarded based on qualitative characteristics of the fund. Primary considerations are given to manager tenure, fund expenses and strength of statistics, however, other significant factors may be considered.

It is important to take into account non-quantitative factors, which may impact future performance.

Qualitative Factors – 20%

Disclosures and Notes

- Some funds, accounts, or share classes used in the enclosed analysis may not be available for investment. Performance history prior to inception (if applicable) reflects another share class or account reflecting the advisor's historical performance record.
- Investment objectives and strategies vary among fund, and may not be similar for funds included in the same asset class.
- *Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted.*
- The performance data quoted may not reflect the deduction of additional fees, if applicable. If reflected, additional fees would reduce the performance quoted.
- Performance data is subject to change without prior notice.
- Performance of indexes reflects the unmanaged result for the market segment the selected stocks represent. Indexes are unmanaged and not available for direct investment.
- The information used in the analysis has been taken from sources deemed to be reliable, including, third-party providers such as *Zephyr, Morningstar*, firms who manage the investments, and/or the retirement plan providers who offer the funds.
- Every reasonable effort has been made to insure completeness and accuracy; however, the final accuracy of the numbers and information is the responsibility of the investment manager(s) of each fund and/or the retirement plan providers offering these funds. Discrepancies between the figures reported in this analysis, and those reported by the actual investment managers and/or retirement plan providers, may be caused by a variety of factors, including: Inaccurate reporting by the manager/provider; Changes in reporting by the manager/provider from the time this report was prepared to a subsequent retro-active audit and corrected reporting; Differences in fees and share-classes impacting net investment return; and, Scriveners error by 401(k) Advisors preparing this report.
- Fund scores will change as the performance of the funds change and as certain factors measured in the qualitative category change (e.g., manager tenure). Fund scores are not expected to change dramatically from each measured period, however, there is no guarantee this will be the case. Scores will change depending on the changes in the underlying pre-specified Scorecard factors.
- Neither past performance or statistics calculated using past performance are a guarantee of a fund's future performance. Likewise, a fund's score using 401(k) Advisor's *Scorecard*SM System does not guarantee the future performance or style consistency of a fund.
- The purpose of this report is to assist fiduciaries in selecting and monitoring investment options. A fund's score is meant to be used by the plan sponsor and/or fiduciaries as a tool for selecting the most appropriate fund.
- 401(k) Advisors, a registered investment advisor, prepared this report and believes that this information is relevant to the plan sponsor as the plan sponsor makes investment selections.
- Fund selection is at the discretion of the investment fiduciaries, which are either the plan sponsor or the committee appointed to perform that function.
- Index funds and select Specialty funds are not scored by the *Scorecard*SM System.
- The enclosed Investment Due Diligence report, including the *Scorecard*SM System, is intended for plan sponsor and/or institutional use only. The materials are not intended for participant use.
- The enclosed Investment Due Diligence report and Scorecard is not an offer to sell mutual funds. An offer to sell may be made only after the client has received and read the appropriate prospectus.
- For a copy of the most recent prospectus, please contact your Investment Advisor/Consultant.
- For the most current month-end performance, please contact 401(k) Advisors at (800) 959-0071.

Meetings and Communication between Company and Advisor: As a matter of course, Advisor shall keep Company apprised of any material changes in the Advisor's outlook, recommended investment policy and strategies. In addition, Advisor shall be available to discuss with Company no less than annually to review and explain the Portfolio's investment results and any related issues. Advisor shall also be available on a reasonable basis for telephone communication when needed. Any material event that affects the ownership of Advisor firm or the management of the Portfolio must be reported immediately to the Company.

Duties and Responsibilities

The Advisor is expected to provide services in a manner consistent with this Investment Policy Statement and in accordance with State and Federal law and the Uniform Prudent Investor Act. SEIA is a Registered Investment Advisor and shall act as the investment advisor to the Investor until the Investor decides otherwise.

Advisor shall be responsible for:

1. Designing, recommending and implementing investment options consistent with the investment objectives, time horizon, risk profile, guidelines and constraints outlined in this statement.
2. Recommending an appropriate custodian to safeguard plan assets.
3. Advising the Company about the selection of and the allocation of asset categories.
4. Identifying specific assets and investment managers within each asset category.
5. The custodian providing the Company with a current prospectus, where applicable, for each investment proposed for the Portfolio.
6. Monitoring the performance of all selected assets.
7. Recommending changes to any of the above.
8. Periodically reviewing the suitability of the investments for the Company, being available to meet with the Company at least twice each year or as detailed in the client engagement agreement, and being available at such other times within reason at the Company's request.
9. Preparing and presenting appropriate reports.

Company shall be responsible for:

1. Overseeing the Plan.
2. Defining the investment objectives and policies of the Portfolio. Communicating with Advisor at least annually in potential changes in Investment Policy or objectives.
3. Directing Advisor to make changes in investment policy and to oversee and to approve or disapprove Advisor recommendations with regard to policy, guidelines, objectives and specific investments on a timely basis.
4. Providing Advisor with all relevant information on Company financial conditions and risk tolerances and shall notify Advisor promptly of any changes to this information.
5. Properly securing ERISA required Bonds to protect and reimburse plan participants from losses resulting from fraudulent or dishonest acts by plan fiduciaries.
6. Properly securing Fiduciary Liability Insurance Coverage to protect from liabilities resulting from improper administration of the plan or plan assets.

Adoption

Adopt the eleven-page IPS by signing below:

Date: _____

Plan Fiduciary/Trustee: _____

Plan Fiduciary/Trustee: _____

Plan Fiduciary/Trustee: _____

Advisor: _____

Advisor: _____

Notes and Future Changes
