



1. PLAN INFORMATION

Michigan Tech offers several contributory retirement agreements separately name Michigan Tech Supplemental 403(b) Retirement Plan, Michigan Tech Defined Contribution Plan and the Supplemental 457(b) Plan; collectively known as the Michigan Tech Retirement Plan (“the plan”). The plan is intended to provide eligible employees the opportunity to generate the long-term accumulation of retirement savings through employer and employee contributions to individual participant accounts.

The Plan Sponsor appoints the Michigan Technological University’s Retirement Plan Oversight Committee (the “Committee”) and delegate’s authority to the Committee to choose and monitor plan investment options. It is the intent of the Committee to provide a range of investment options under the Plan that will enable participants to invest according to varying risk tolerance and savings time horizons.

2. PURPOSE OF THE INVESTMENT POLICY STATEMENT

This Investment Policy Statement (“IPS”) is intended to assist the Committee in effectively structuring an appropriate investment menu. Specifically, the IPS is intended to:

- Define investment objectives for the Plan
- Provide participants a range of diversified investment options along the risk-return spectrum
- Describe the criteria and procedures the Plan will use in selecting investment options
- Define the procedure for the ongoing monitoring of investment options

3. STATEMENT OF OBJECTIVES

The Plan’s investment options will be selected to:

- Provide returns comparable to the appropriate benchmark for the asset categories
- Provide opportunities to diversify across the risk return spectrum
- Control administrative, management and participant costs

4. ERISA SECTION 404(C)

The Plan is intended to conform to Best Practices generally found in ERISA Section 404(c) and the Department of Labor regulations.

To do so, the Plan will provide participants with a minimum of four broadly diversified investment options with distinct risk and return characteristics, as well as the opportunity for participants to make transfers among the Plan’s investment options every three months for “core investments” and with frequencies that are appropriate for the volatility associated with a particular funding option for “non-core Investments.”

5. ROLES AND RESPONSIBILITIES OF VARIOUS PARTIES INVOLVED

Investment Oversight Committee: Members of this committee could include (not necessarily include all and not limited to) the personnel below:

- Controller
- Director of Benefits
- Coordinator of Benefits
- Faculty Representative
- University Senate representatives (Finance Committee)
- Chief Financial Officer

The Committee is generally responsible for:

- Selecting and terminating investment options
- Establishing and maintaining the IPS
- Monitoring fees and expenses of investment options
- Monitoring the performance of the investment options and making investment menu changes when necessary
- Generating communications to participants when necessary

TIAA-CREF and Fidelity Investments are responsible for:

- Following client's investment policy statement
- Proposing investment options according to established criteria in client's investment policy statement
- Reporting and reviewing investment options' performance according to frequencies required by client's investment policy statement against benchmarks
- Monitoring changes at fund management firms
- Plan vendor will not exercise discretion pertaining to plan investments

6. INVESTMENT MENU DESIGN

While offering a variety of investment options is important, efforts will be made to keep the total number to a prudent level that balances the benefits of broad diversification with the disadvantages of too many choices. At a minimum, the Plan shall offer enough investment options to well represent at least four major asset classes: 1) Guaranteed, 2) Cash, 3) Equities, and 4) Fixed Income.

Target Retirement Funds will be offered to employees that will provide funds based on an employee's estimated year of retirement.

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With respect to the establishment of an upper limit on the number of investment options, the Plan should not provide so many options as to create excessive redundancy in investment options generate increased fund monitoring and/or administrative costs or cause undue complexity in plan design.

7. ASSET CLASS GUIDELINES

The Plan shall provide each participant with the ability to diversify among an array of asset classes in order to construct individual portfolios consistent with their desired level of risk over their respective time horizons. The Plan may offer investment options through mutual funds and annuities in the following asset categories:

- Cash or Equivalents
- Guaranteed or Stable Value
- Target-Date Funds
- Balanced/Allocation Target-Risk Funds
- U.S. Fixed Income
- U.S./Global Inflation-Protected Bond
- Global/International Bond
- U.S. Equities
- Global/International Equities
- U.S./Global Socially Responsible Equities
- U.S./Global REIT
- U.S./Global Direct Real Estate

8. PLAN VENDORS, INVESTMENT MANAGERS AND INVESTMENT OPTIONS SELECTION PROCESS

When evaluating providers to offer funds/accounts under the Plan, the Committee will choose investment options provided by a bank, insurance company, and mutual fund or investment management company.

PLAN VENDOR/INVESTMENT MANAGER ASSESSMENT: The Plan Sponsor shall conduct an assessment of the company providing the asset management of an investment option. The committee will be responsible for conducting the periodic assessment of the company on behalf of the Plan Sponsor. At a minimum, the assessment can include a review of the following (if applicable);

- History of the firm
- Part II of Form ADV for investment advisors
- Management and ownership structure
- Breadth of products offered

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- Financial stability of the company issuing the investment option
- Investment philosophy
- Any material pending or concluded legal or ethical violations

In addition, the Committee will conduct regular semi-annual review of investment returns against standard benchmarks applicable to the investment option as described in Section 9.

GENERAL SELECTIONS REQUIREMENT FOR ALL INVESTMENT OPTIONS: All Investment options should maintain the following characteristics:

- Diversification by Holdings: Except for Insurance Company General Account products, all investment options shall maintain a sufficient number and breadth of holdings to provide an adequate representation of the primary characteristics of the benchmark index.
- Competitive Fee Structure: The impact of fees on the long-term performance of the investment options with the Plan shall be an important consideration. The net expense ratio shall be below median expense level of the appropriate peer group. No mutual funds with front-end or back-end sales charges shall be allowed. All fee information should be adequately disclosed to participants.
- Track Record of Investment Option: Each actively managed investment option should have a minimum track record of three years during which the same portfolio management team managed the fund. The three-year requirement may be waived at the discretion of the Committee if the manager has a proven track record of managing assets in the same category under consideration, or if the fund is an "index" strategy.
- Track closely to their stated investment objective: Each investment option's objective should remain consistent with the option's role within the Plan's overall investment structure.

9. PERIODIC REVIEW

The ongoing monitoring of Plan investment options must be a regular and disciplined process. It is the mechanism for measuring ongoing compliance by each investment option against the evaluation criteria specified below. Non-core investments will not be monitored or reviewed by the committee.

Each core investment option shall be reviewed semi-annually pursuant to the following evaluation criteria:

- Adherence to the original investment/account selection requirements
- Any material changes to the option's organization, process or portfolio manager or team

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- Any material litigation or regulatory action against the firm that may impact future performance or the reputation of the provider
- Significant loss or growth of assets under management
- The fund/account is sufficiently utilized by plan participants.

If an assessment of an investment option against the evaluation criteria does not identify any significant issues, no further action by the Committee is necessary. If a material issue is identified for a particular investment option, then the Committee may decide, in its sole judgment, to (I) take no action if it concludes that it has reasonable basis for such a conclusion, (ii) monitor the fund closely on a regular basis (quarterly, semi-annually or annually) for at least one year as a means of evaluating future progress (iii) terminate as an active investment option under the Plan.

The IPS provides guidelines to assist the Committee in its decision to select retain or replace an investment option or investment manager, but the final decision shall not be made based on the outlined IPS criteria in isolation. The final decision shall be based on the Committee's confidence in the investment option's ability to perform competitively in the future. Any final decision shall be an exercise of the Committee's sole and exclusive judgment.

10. EDUCATION AND ADVICE

A significant responsibility of the Committee is to ensure that adequate participant education and communication are provided. The Committee will assess whether the quantity and quality of plan participant education and communication is appropriate. Plan participant education can be achieved through a variety of channels including printed materials, websites, group meetings, and individual counseling. The Committee may also consider providing participant investment advice from an investment advice provider to assist participants in saving for retirement which advice shall be available to all plan participants.

11. Other Matters

Conflict of Interest: It is the policy of Michigan Tech that the conduct of the committee members and other persons acting as its representatives should be at all times in the best interests of the Michigan Tech, its employees and the general public

The Plan document will hold supremacy over the Investment Policy Statement when there is a conflict.

The Investment Oversight Committee reserves the right to amend the IPS at any time.