

SAMPLE INVESTMENT POLICY



MUTUAL OF OMAHA RETIREMENT SERVICES

The purpose of this template is to provide a sample Investment Policy Statement (IPS) for retirement plans that have elected to purchase the Mutual of Omaha product¹ as the sole funding vehicle for the plan. The document covers all applicable sections of an IPS and should be modified to suit each individual plan.

This sample Investment Policy Statement is not a recommendation by Mutual of Omaha nor is it intended to give investment or legal advice. You should consult with financial and legal advisors for advice in the preparation of the final investment policy. This Investment Policy Statement should be reviewed by an attorney knowledgeable in this specific area of the law.

¹ Investment options are offered through a group variable annuity contract (Forms 902-GAQC-09 or 902-GAQC-09(OR) or 901-GAQC-07 or 901-GAQC-07(OR)) underwritten by United of Omaha Life Insurance Company for contracts issued in all states except New York. United of Omaha Life Insurance Company is not licensed in New York. In New York, Companion Life Insurance Company, Hauppauge, NY underwrites the group variable annuity (Form 900-GAQC-07(NY)). Each company accepts full responsibility for each of their respective contractual obligations under the contract but does not guarantee any contributions or investment returns except as to the Guaranteed Account and the Lifetime Guaranteed Income Account as provided under the contract. Neither United of Omaha, Companion Life Insurance, nor their representatives or affiliates offers investment advice in connection with the contract.

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1. Purpose/Overview

- A. The purpose of this Investment Policy Statement (IPS) is to document the investment objectives and performance guidelines for the assets of the _____ Retirement Plan. The plan provides the participants with the opportunity to direct the investment of their own accounts.
- B. This investment policy is intended to act as a guide for measuring and evaluating the investment performance of each investment option.
- C. For these purposes, the responsible plan fiduciaries are responsible for the selection and monitoring of the investment options offered to the participants for their investment direction. The plan document provides that the employer will be the responsible plan fiduciary. However, the plan permits the employer to delegate those fiduciary responsibilities to the trustee or to a plan committee appointed by the employer.
- D. If any term or condition of this Investment Policy Statement conflicts with any trust and/or plan document, the document shall control, as long as such term or condition is consistent with the law.

2. Statement of Objectives

- A. The investment objective of the plan is to allow plan participants to direct the investment of their account in the plan amongst a broad range of investment alternatives that permit the participants to materially affect the potential return on the amounts in their individual accounts and the degree of risk to which such amounts are subject and which, in the aggregate, enable the participant to achieve a portfolio with aggregate risk and return characteristics at a point within the range appropriate for the participant.
- B. Each investment alternative shall have defined risk and return characteristics consistent with an asset class or role. The investment alternatives may include funds based on asset allocation models designed to match participant risk profiles (i.e., risk-based alternatives referred to as “lifestyle” funds) and/or target retirement dates (i.e., time-based alternatives referred to as “lifecycle” funds).

If applicable, participants who fail to direct the investment of their account, the Investment Fiduciary will select an investment option that meets the definition of a qualified default investment alternative (QDIA) under ERISA Regulation Section 2550.404c-5 (the “QDIA Regulation”). The QDIA may be a lifestyle (or balanced) fund, a suite of lifecycle funds or a managed account service.

3. Duties and Responsibilities

The primary responsibilities of the Investment Fiduciary are:

- A. Prudently select investment alternatives in which participants may invest their account.
- B. Prudently select and monitor the QDIA for the plan and otherwise ensure that the plan complies with the requirements of the QDIA regulation, if applicable
- C. Monitor the performance of the investment alternatives consistent with the process set forth in this IPS.
- D. Monitor the reasonableness of the investment expenses associated with the investment alternatives.
- E. Avoid prohibited transactions and conflicts of interest.
- F. Periodically review this IPS and amend it from time to time, as the Investment Fiduciary deems necessary or appropriate.

4. Investment Option Selection

The selection of each investment option of the Plan will be based on a review of the option’s historical patterns of risk and return (including composite returns if applicable) and stated investment philosophy and process, and a determination that the investment option should reasonably be expected over the long-term to fulfill the asset class or role for which it is selected and perform consistently with this asset class or role. An investment option may limit the frequency of trading activity in any reasonable manner, including the assessment of a redemption fee on purchases held for only a short period of time or a limit on the number of trades that can be made in a particular period.

5. Investment Monitoring Policy

In order to evaluate whether the plan is meeting its objectives, the responsible plan fiduciaries will review performance periodically using performance and comparative data for each individual investment. The responsible plan fiduciaries will review materials from the selected product and such other materials as they deem appropriate as part of their evaluation. The following elements will be included in the performance evaluation process:

- A. Time Horizon** – It is acknowledged that fluctuating rates of return characterize the securities markets, particularly during short-term time periods. Recognizing that short-term fluctuations may cause variations in a portfolio’s performance, the responsible plan fiduciaries intend to select investments and investment managers with long-term investment strategies and will evaluate performance from a long-term perspective.
- B. Performance Benchmarks** – Performance objectives for each investment alternative may be evaluated against performance benchmarks such as market indices (e.g., the S&P 500®) and peer groups of managers within the same asset class and/or investment style. Investments that fall below benchmarks or fail to adhere to their investment style will be evaluated in accordance with the review procedures outlined below.
- C. Formal Review Procedure** – An evaluation may be initiated if the performance of an investment option, relative to its performance benchmark, varies by more than a reasonable deviation.
 - 1. The performance benchmarks and time periods may vary from time to time, provided that the benchmarks and periods used are consistent with industry standards relative to the particular investment option being monitored or evaluated.
 - 2. Review the reasons for the deviation in order to evaluate whether or not the investment option is expected over the long term to fulfill the asset class or role for which it was selected and perform consistently with this asset class or role.

Failure to achieve or exceed performance benchmarks does not necessarily result in removal of an investment option, but it may be cause for the plan fiduciaries to conduct additional analysis. An investment option may be considered for retention

if the results of the review indicate a reasonable expectation that the strategy, discipline or process of the investment option should fulfill the asset class or role for which it was selected and should result in consistent performance with this asset class or role over the long term.

The timing of any addition, deletion or change in the investment options of the Plan will take into account the terms of the investment option and the administrative constraints of the Plan, including the need for an orderly transition and for effective participant communications.

6. Other Guidelines and Policies

Additional investment guidelines and policies are described in an Appendix attached to this Investment Policy. If no Appendix is attached, there are no additional guidelines and policies.

This investment policy was adopted on

_____.

Plan Fiduciary