

The purpose of this template is to provide a sample ERISA Investment Policy Statement (IPS) for retirement plans that have elected to purchase the Mutual of Omaha product<sup>1</sup> as the sole funding vehicle for the plan. This document is but one example of an IPS that might be suitable for use by a retirement plan. The document should be modified to suit each individual plan.

This sample Investment Policy Statement is not a recommendation by Mutual of Omaha or its affiliates 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.

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<sup>1</sup>Investment options are offered through a group variable annuity contract (Forms 902-GAQC-09 or 902-GAQC-09(OR) or 902-GAQC-09(CT) or 901-GAQC-07) underwritten by United of Omaha Life Insurance Company for contracts issued in all states except New York. United of Omaha Life Insurance Company, Omaha, NE 68175 is not licensed in New York. In New York, Companion Life Insurance Company, Hauppauge, NY 11788 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 Life Insurance Company nor Companion Life Insurance Company nor their representatives or affiliates offers investment advice in connection with the contract.

Specific features of the Lifetime Guaranteed Income Account (Rider Forms 651-GAQR-10 or 651-GAQR-10(CT) or 651GAQR-10(OR)) vary by state. Restrictions apply. The Lifetime Guaranteed Income Account is not available in Nevada or New York.

# SAMPLE ERISA INVESTMENT POLICY STATEMENT

## 1. Purpose/Overview

- A. The purpose of this Investment Policy Statement (IPS) is to document the investment objectives and performance guidelines that [Company Name] (the “Company”) has adopted for the assets of the \_\_\_\_\_ Plan (the “Plan”).
- B. This investment policy is intended to assist the Plan’s fiduciaries in making investment-related decisions in a prudent manner by outlining the philosophies and processes for selecting, monitoring and evaluating investment options and investment managers used by the Plan.
- C. The Company is the named fiduciary of the Plan. For these purposes, the Company, or its designees, including but not limited to, an investment committee, trustee or investment manager, are responsible for selecting and monitoring the investment options offered to the participants for their investment direction.
- D. If any term or condition of this Investment Policy Statement conflicts with the Plan or any other Plan document, the Plan document shall control, as long as such term or condition is consistent with the applicable law.

## 2. Statement of Objectives

- A. The investment objective of the Plan is to allow Plan participants to direct the investment of their accounts in the Plan amongst a broad range of diversified 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 participants to achieve a portfolio with aggregate risk and return characteristics at a point within the range appropriate for individual participants. The Plan intends to comply with Section 404(c) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).
- 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 “lifecyle” funds).

## 3. Duties and Responsibilities

The Plan’s fiduciaries must:

- A. Prudently select investment alternatives in which participants may invest their accounts in accordance with this IPS.
- B. Prudently select and monitor the qualified default investment alternative (“QDIA”) for the Plan and ensure that the Plan complies with the requirements applicable to QDIAs under Department of Labor Regulation Section 2550.404c-5 (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 and other costs associated with the investment alternatives.
- E. Avoid prohibited transactions and conflicts of interest in compliance with ERISA and the Internal Revenue Code.
- F. Maintain written records of all decisions relating to the selection and monitoring of investment alternatives available under the Plan and the appointment of investment managers and other fiduciaries.
- G. Periodically review this IPS and amend it from time to time, as they deem necessary or appropriate.

#### 4. Investment Option Selection

The selection of each investment option of the Plan will be based on:

- A. the option's historical patterns of risk and return (including composite returns if applicable);
- B. the option's stated investment philosophy and process; and
- C. 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.

The responsible fiduciary will select and offer under the Plan an investment option that qualifies as a QDIA under the QDIA Regulation. The QDIA may be a lifestyle (or balanced) fund, a suite of lifecycle funds or a managed account service. The accounts of participants who fail to affirmatively direct their investments shall be invested in the Plan's QDIA.

#### 5. Investment Monitoring Policy

In order to evaluate whether the Plan is meeting its investment objectives, the responsible fiduciary will review performance periodically using performance and comparative data for each individual investment. The responsible fiduciary will review materials from the selected product and such other materials as it deems appropriate as part of its 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 investments and investment managers with long-term investment strategies should be selected for the Plan and performance should be evaluated 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 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. Investment Manager Selection

The Company or investment committee may select investment managers to manage all or some of the Plan's investment options. Each investment manager must be qualified to serve as an investment manager under ERISA. The Company or investment committee will periodically review the appropriateness of each investment manager selected to provide services to the Plan.

## 7. 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 \_\_\_\_\_, \_\_\_\_\_. It supersedes any prior investment policy applicable to the Plan.

\_\_\_\_\_  
Plan Fiduciary

\_\_\_\_\_  
Printed Name