

THE MILWAUKEE COUNTY DEFERRED COMPENSATION PLAN
STATEMENT OF INVESTMENT POLICY
(Revised February 8, 2010, Updated November 15, 2010)

I. INTRODUCTION

The purpose of the Milwaukee County Employees 457 Deferred Compensation Program (Plan) is to allow employees to receive federal and state income tax benefits while accumulating additional savings for retirement through payroll reduction. Deferred Compensation is a voluntary, supplemental long-term retirement program for public employees authorized by federal law and created by the County Board of Supervisors in 1984. The program was implemented by Milwaukee County to attract and retain personnel by permitting them to defer payment of a portion of their current compensation until death, disability, retirement, or their termination of employment. The Plan's assets are to be held in a trust so that all Plan assets are segregated from the County's general assets and are not subject to the claims of the County's creditors.

In line with the established purpose, the Milwaukee County Deferred Compensation Committee (the Committee) will make available to the Plan Participants a broad range of investment options, covering most major market segments. Further, since the focus of the Plan is long-term in nature, the options made available are intended to support the potential for long-term growth. Participants have the flexibility, at their discretion and within a range of available options, to design an investment savings program specific to their own risk/reward profiles and their personal retirement strategies.

The Committee has adopted this Statement of Investment Policy as a guiding document pertaining to investment matters with respect to the Plan. The Committee will strive to make investment decisions with respect to the Plan consistent with this Statement of Investment Policy.

It is the intention of the Committee that the assets of the Plan shall be maintained in compliance with all applicable laws and industry standards governing the operation of the Plan. Practices in this regard include, but are not limited to, the following:

- Plan investment options shall be selected and monitored with the care, skill, and diligence that would be applied by a prudent expert, acting in a like capacity and knowledgeable in the investment of retirement funds.
- All transactions undertaken on behalf of the Plan shall be for the sole interest of participants and beneficiaries.
- The Committee, in consultation with the retained advisors and consultants will select and retain investment options after satisfactory review of such factors as the investment experience of the underlying manager, the suitability of the investment approach, the investment record, and the other components as listed in this Investment Policy Statement.
- Participants will be provided the opportunity to obtain sufficient information to make informed decisions with regard to the investment alternatives available under the Plan.

II. PURPOSE OF THE INVESTMENT POLICY STATEMENT

The purpose of this Statement of Investment Policy is to record the investment goals and objectives that have been established for the Plan. This document also outlines various operational guidelines intended to assist the Committee in efficiently and effectively monitoring the investment options available under the Plan.

Specifically, this document:

- Outlines responsibilities related to investment matters involving the Plan
- Establishes the investment objectives for the Plan
- Defines the investment options to be offered by the Plan
- Establishes criteria for the ongoing review and evaluation of each investment option

This document will be reviewed annually by the Committee and the Plan's advisors. Any changes the consultants recommend will be discussed with the Committee for final approval. The Committee will formally revise this document to reflect all policy modifications.

III. OBJECTIVES

The Plan's investment options will be selected so as to:

- Provide those participants who elect it, a targeted retirement date investment designed to provide varying degrees of long term appreciation and capital preservation through a mix of equity and fixed-income exposure based on the participant's age and target retirement date.
- Provide those participants who wish to construct their own asset allocation portfolios with a diverse set of investment options in various asset classes so as to encourage and facilitate participant diversification while also offering a program that is understandable to participants.
- Provide investment options that offer long term competitive rate of return compared to similar investment options on an absolute and risk-adjusted basis
- Control administrative and management costs.

IV. ROLES AND RESPONSIBILITIES

Plan Sponsors Responsibilities

The Plan Sponsor (Milwaukee County) will be responsible for:

- Establishing the Plan, determining the terms and design features of the Plan, and terminating the Plan (if deemed appropriate)
- Forwarding employee contributions that are withheld from payroll to the trust supporting the Plan
- Such other responsibilities as may be specified in the Plan or that derive from applicable laws and regulations

Select Committee on Deferred Compensation

The primary responsibilities of the Committee will include:

- Reviewing general adherence to this Investment Policy Statement and reviewing it annually
- Periodically reviewing and evaluating the investment options/managers available under the Plan
- Selecting, monitoring, and changing the investment options in the Plan
- Modifying the investment structure of the Plan as warranted
- Monitoring fees and costs related to the Plan to ensure they remain appropriate
- Recommending a Third Party Administrator contract to the Milwaukee County Board
- Selecting and evaluating the investment consultant and any other outside service provider
- Meeting approximately four times a year to discuss issues related to the Plan
- Avoiding conflicts of interest and maintaining high ethical standards

Participant Responsibilities

The Plan is a "participant-directed account plan" and it shall be the responsibility of each individual participant to choose investment options that are suitable to his/her life situation.

Trustee Responsibilities

The Trustee(s) of the Plan will be responsible for:

- Holding and investing Plan assets in accordance with the terms of the Trust Agreement.

Third Party Administrator Responsibilities

The Third Party Administrator's precise responsibilities will be determined in accordance with the contract between the Third Party Administrator and the Milwaukee County. In general, the Third Party Administrator of the Plan will be responsible for:

- Maintaining and updating individual account balances, including information regarding plan contributions, withdrawals, and distributions and otherwise acting on the directions of the Committee or its authorized delegates
- Providing participant account access through the internet, interactive voice response, and call center
- Producing quarterly participant statements
- Conducting compliance and non-discrimination testing
- Providing education and consulting services including, but not necessarily limited to, pre-retirement education, newsletter, financial planning information, and enrollment services
- Participating, as necessary, in various projects as requested by the Committee

Investment Consultant Responsibilities

The investment consultant's precise responsibilities will be determined in accordance with the contract entered into between the investment consultant and the Milwaukee County. Generally speaking, they will include (but not necessarily be limited to):

- Providing a comprehensive quarterly review of each of the Plan's investment options and presenting the review at Committee meetings
- Advising the Committee of the continued appropriateness of each investment option
- Providing recommendations on the selection of or change in investment options
- Advising the Committee of any recommended modifications to the investment structure of the Plan
- Advising the Committee as to the appropriate performance benchmarks for the investment options
- Providing updates on topical issues or events that relate to best practices and new products and services available
- Reviewing the Investment Policy Statement on an annual basis and providing advice to the Committee on specific areas for change

V. INVESTMENT OPTIONS

The Committee believes that the Plan should provide participants the opportunity to exercise control over the assets in their accounts by offering a broad range of investment alternatives so that participants can construct an investment program appropriate for their respective risk tolerances. The investment options offered should also permit the participant the opportunity to diversify his/her account so as to minimize the risk of large losses. Participants should have access to meaningful information about the Plan and fund categories so they can make informed investment choices. The Committee will continue to re-evaluate the investment option structure to focus on diversification, low cost, and simplicity while minimizing possible duplication.

In that regard, the Plan shall be comprised of at least one investment option in each of the following categories:

- Target Date Retirement Funds
- Money Market/Stable Value
- Broad Market Bond Fund
- Broad Market Bond Index Fund
- Large Cap U.S. Stock Index Fund
- Broad Market U.S. Stock Index Fund
- Large Cap Value Fund
- Large Cap Growth Fund
- Mid Cap U.S. Stock Index Fund

- Mid Cap Growth Fund
- Small Cap U.S. Stock Index Fund
- Small Cap Value Fund
- Small Cap Growth Fund
- Non-U.S. Stock Index Fund
- Non-U.S. Stock Fund

Within these categories, the types of options may include low- to high-risk options and specialized styles of investment management. The rationale supporting this set of choices is that the structure allows participants to construct investment programs ranging from conservative to aggressive. As part of the overall Plan design, the Committee does not believe individual sector funds are necessary for participants to construct a diversified portfolio that reasonably spans the risk/return spectrum.

The current investment option structure is described in the Appendix of this document. The Committee is authorized to make changes to the structure - including the elimination, replacement, and/or addition of new investment options - as it deems necessary or advisable to maintain the best interests of the Plan and its participants.

VI. MONITORING

The Select Committee will review the investment options of the plan on a quarterly basis. The purpose of the review is to determine whether each fund has adequately met its investment objectives. Each investment option shall be reviewed for:

- Investment performance compared to reasonable benchmarks on a net-of-fee basis, and ranked in a suitable universe (if available). The period for the assessment of Plan performance relative to the objectives will be over intermediate and full market cycle periods. The intermediate-term performance reviewed will include trends over quarterly periods, as well as trailing one-, three-, and five-year periods. A full market cycle has historically been 5 to 7 years.
- Material changes in investment diversification and style-consistency.
- Material changes in the fund management and ownership including, but not limited to, changes in managers, analysts, assets under management, and expenses.

The Committee will use the following framework in its quarterly monitoring efforts:

Factor	Rationale	Measurement
1. Short Term Performance Concerns	Short term performance should never be the sole factor in a manager's assessment; however, short-term performance concerns should be monitored and understood.	Has the fund underperformed in three of the last four quarters?

Factor	Rationale	Measurement
2. Longer-Term Performance Concerns	Since past performance is not indicative of future performance, performance records must be considered carefully. Longer term underperformance, and poor results compared to peers, may indicate that more competitive offerings are available.	Has the fund underperformed or falls below the median fund in an appropriate peer group over the trailing 5 year period?
3. Investment Strategy Concerns	An investment option in a savings plan often serves a unique role; significant divergence from the strategy could indicate the fund is no longer appropriate for the Plan.	Has the fund diverged from its strategy?
4. Portfolio Management Concerns	The portfolio manager (or managers) responsible for the buy and sell decisions of the fund has a key role. Adverse changes could present performance challenges going forward.	Have there been adverse changes to the fund's management?
5. Organizational Concerns	A stable and strong organization is preferred. Adverse changes to the organization could negatively impact the fund's strategy, focus, resources, or management team.	Have there been adverse changes to the organization?

The monitoring system will have a “generally indicated status” based on the number of affirmative answers to the above questions.

- **Green-Level Status.** No concerns; or only one affirmative response to the stated measurement.
- **Yellow-Level Status.** An investment fund receives a Yellow designation with two or three affirmative responses.
- **Red-Level Status.** An investment fund goes receives a Red designation when it has been on the Yellow status for more than two consecutive quarters or when there are four or more affirmative responses.

If a manager is placed on the Red Level Status, a formal manager review will be conducted by the investment consultant. The concerns regarding the fund will be analyzed and a recommendation will be made to the Committee on whether the fund should be retained or terminated. If the fund is retained, and remains on red-status, it will be re-reviewed every six months.

In the event of a major change in the firm's ownership, performance, or staffing, the Committee may immediately terminate a manager without placing a fund on a specific “status.” The Committee has the right to take action on any fund regardless of its status in the monitoring system.

In addition to quarterly monitoring of the performance of the Plan's investment options against the criteria set forth above, the Select Committee will periodically conduct an in-depth review of the investment option structure. This evaluation will be used to determine the continued suitability of the Funds based on a variety of criteria, including overall performance, investment style and philosophy, size, manager turnover, etc. In addition to reviewing the performance of the Plan's investment managers/options, the Committee will periodically review all costs associated with the management of the Plan's investment program, including:

- Expense ratios of each investment option against the appropriate peer group
- Costs to administer the Plan, including recordkeeping, account settlement (participant balance with that of investment), allocation of assets and earnings, and (when applicable) the proper use of revenue sharing to offset these fees

VII. ADDING NEW FUNDS

Criteria will be established for each manager search undertaken by the Committee, assisted by the investment consultant. In general, eligible managers will possess attributes including, but not limited to, the following:

- The firm must be experienced in managing investments for institutional clients in the asset class/product category/investment style specified
- The firm must display a record of stability in retaining and attracting qualified investment professionals, as well as a record of managing asset growth effectively
- The firm must demonstrate adherence to the investment mandate sought by the Committee, and adherence to the firm's stated investment discipline
- The performance of the strategy must be acceptable from a qualitative and quantitative standpoint
- The firm's fees should be competitive with industry standards for the product category

The Committee retains the authority to modify or change the search criteria at any time.

VIII. FUND MAPPING

When the Committee decides to terminate an investment option in the Plan, participants will be granted an opportunity to direct their assets to other investment options offered in the Plan prior to the investment option termination. Assets that are not directed by participants will be transferred or "mapped" to the Plan's investment option(s) that the Committee, with advice from the investment consultant, deems appropriate.

The mapping factors that the Committee will consider include, but are not limited to, the following:

1. **Alignment of investment fund type**, such as:
 - Asset class (e.g., U.S. stock, non-U.S. stock, fixed income)
 - Capitalization (e.g., large, mid, small)
 - Style (e.g., value, growth)
 - Maturity (short, intermediate, long-term)
2. **Similar investment strategy**, such as:
 - Broad market vs. focused market

- Active vs. passive management
- Equity income, growth & income, aggressive growth, etc.
- Diversified vs. concentrated
- Core vs. core-plus

3. Age-based that corresponds to the appropriate time period

IX. POLICIES AND CONSTRAINTS

The Select Committee intends to use the following investment policies and constraints as a framework for excessive trading procedures and for selecting and/or guiding the stable value and money market fund investment managers of the Plan. Policies and constraints for the other funds offered in the Plan will be detailed in that fund's prospectus. The most recent fund prospectus can be obtained from the Third Party Administrator or directly from the investment manager.

A. Excessive Trading Procedures

Many fund companies have implemented trading restrictions in order to prevent market timing and excessive trading by participants that could be detrimental to long-term shareholders. The Plan's third party administrator will provide participant trading activity to the fund companies in the Plan, as required. If a fund company determines the trading activity constitutes "prohibited trading", as defined by that fund's prospectus, the third party administrator will contact the individual in writing to request that the individual stop prohibited trading immediately (unless the applicable fund requires that restrictions be implemented immediately without warning, in which case the default trading restriction will be implemented immediately and written notice of the same will be provided to the individual and plan, if applicable).

A subsequent report of the individual's trading activity will then be provided to the fund company. If, based on the second report, the fund company determines that the individual has not ceased prohibited trading, and upon the request of the fund company, the third party administrator will inform the individual in writing that they will be prevented from making transfers to the restricted fund(s) via any method (including the web, voice response unit, call center, facsimile or paper forms) for as long as the applicable fund determines. Restricted individuals are permitted to make transfers from the restricted fund(s) to other available investment options.

B. Stable Value Fund

The Select Committee will approve investment guidelines for the stable value fund, which will outline the investment strategy and allowable investments for the fund. The fund manager will invest the fund in accordance with the approved guidelines. The approved guidelines are provided as an attachment to this document.

C. Savings Account

The fund will be a benefit responsive bank deposit which is insured for up to \$100,000 per participant account by the FDIC. The bank issuing the product must be "well capitalized" as defined by the FDIC.

The interest rate paid by the Fund will be indexed to a publicly available benchmark, and the rate crediting formula must be fully disclosed.

**INVESTMENT MANAGER STRUCTURE AND GUIDELINES
FOR THE MILWAUKEE COUNTY
DEFERRED COMPENSATION PLAN
(Revised November 15, 2010)**

This listing of investment structure and guidelines extend the “Statement of Investment Policy for the Milwaukee County Deferred Compensation Plan Updated November 15, 2010.” The current plan structure includes three “tiers” of investment options: target date retirement funds, index options, and actively managed options.

Current Plan Structure

Option Type	Fund Name	Performance Benchmark	Performance Objective
<u>Target Date Retirement Fund Options</u>			
Target Date Retirement Funds	Vanguard Target Date Retirement Funds	Custom Benchmarks	Approximate its benchmark
<u>Index Options</u>			
Broad Market Bond Index Fund	Vanguard Total Bond Index Fund	Barclays Capital Aggregate Bond Index	Approximate its benchmark
Large Cap U.S. Stock Index Fund	Vanguard Institutional Index Fund	S&P 500 Index	Approximate its benchmark
Board Market U.S. Stock Index Fund	Vanguard Total Stock Market Index Fund	MSCI U.S. Broad Market Index	Approximate its benchmark
Mid Cap U.S. Stock Index Fund	Vanguard Mid Cap Index Fund	MSCI U.S. Mid Cap 450 Index	Approximate its benchmark
Small Cap U.S. Stock Index Fund	Vanguard Small Cap Index Fund	MSCI U.S. 1750 Small Cap Index	Approximate its benchmark
Non-U.S. Equity Index Fund	Vanguard FTSE All-World Ex-U.S. Index Fund	FTSE All-World Ex-U.S. Index	Approximate its benchmark
<u>Actively Managed Options</u>			
Savings Account	North Shore Savings Fund	iMoney Net Money Fund Average	Outperform its benchmark
Low Risk Fixed Income	Great West Stable Value Fund	Heuler Index and the 3-Year Treasury Index	Outperform its benchmarks
Broad Market Bond Fund	PIMCO Total Return Fund	Barclays Capital Aggregate Bond Index	Outperform its benchmark
Large Cap Value Equity Fund	American Funds Washington Mutual Investors Fund	Russell 1000 Value Index	Outperform its benchmark
Large Cap Growth Equity Fund	American Funds Growth Fund of America	Russell 1000 Growth Index	Outperform its benchmark
Mid Cap Growth Equity Fund	J.P. Morgan Capital Growth Fund	Russell MidCap Growth Index	Outperform its benchmark

Option Type	Fund Name	Performance Benchmark	Performance Objective
Small Cap Value Equity Fund	Heartland Value	Russell 2000 Value Index	Outperform its benchmark
Small Cap Growth Equity Fund	Lord Abbett Developing Growth	Russell 2000 Growth Index	Outperform its benchmark
Non-U.S. Equity Fund	American Funds EuroPacific Growth Fund	MSCI All Country World Ex-U.S. Index	Outperform its benchmark

Guidelines

- A. Plan assets will be invested in the Plan options listed above as directed by Plan participants.

- B. Options shall be diversified in a manner that is at the discretion of the portfolio manager. The investment restrictions and guidelines of each mutual fund are outlined in the most recent fund prospectus, available from Great West or directly from the investment manager. The investment restrictions for the Stable Value and Savings Account are included as part of this document.

- C. To facilitate ongoing review and evaluation of the investment options under the Plan, the Committee has selected performance benchmarks for each investment option. Performance for each investment option will be evaluated over a rolling three- to five-year period on a net-of-fee basis.

**SAVINGS FUND INVESTMENT MANAGER GUIDELINES
NORTH SHORE SAVINGS FUND**

(Adopted March 16, 1999 and Revised February 8, 2010)

These investment guidelines extend the Milwaukee County Deferred Compensation Plan Statement of Investment Policy Revised February 8, 2010.

The investment portfolio managed by North Shore Savings (the manager) on behalf of the Milwaukee County Deferred Compensation Plan (the Plan) shall be subject to the restrictions and guidelines set forth in this document

Investment Guidelines ~ Savings Fund Investments

The savings fund investments shall be invested in the North Shore Savings Fund, such that the portfolio's main objective is to preserve principal and supply current income while providing for a high level of liquidity. This objective is fulfilled through an account which provides FDIC insurance for up to \$100,000 per participant. The fund is expected to provide a yield which is competitive with medium-term (two to four year) certificates of deposit.

Liquidity

The savings fund will maintain appropriate liquidity for participant withdrawals.

Investment Objectives and Performance Evaluation

The investment objective of this portfolio is to achieve a rate of return consistent with the investment guidelines stated above. Over reasonable measurement periods, the rate of total return (net of investment management fees) should approximate or exceed the return of the iMoneyNet Money Fund Average.

STABLE VALUE MANAGER GUIDELINES
GREAT-WEST STABLE VALUE FUND
(Adopted March 16, 1999, Revised November 15, 2010)

Investment Objectives

Within the parameters as stated below, the objectives of the fund are to:

1. Earn a high level of return consistent with the other objectives of the fund.
2. Provide sufficient liquidity to satisfy participant redemptions.
3. Provide stable and predictable returns.
4. Preserve principal.

Benchmark Index

Performance will be compared to the Heuler Index, a composite of commingled stable value fund returns. The interest rates provided to participants after investment management fees will also be compared to the yield of three-year treasury notes, on a constant maturity basis.

Types of Investments

Subject to the Quality and Diversification Guidelines, Great-West may invest the assets of the Stable Asset Fund in any or all of the following:

- A. States Treasury Securities including Treasury Bills, Notes, Bonds, and Strips.
- B. United States Agency or Government Sponsored Enterprises (GSE's) securities including debt guaranteed under the FDIC's Debt Guarantee program or a similar debt guarantee program backed by the United States Government and any other agency or GSE debt unless otherwise restricted.
- C. Mortgage-Backed securities issued by GNMA, FNMA, FHLMC, FHLB, VA Vendee, or other United States Agency or GSE's.
- D. Collateralized Mortgage Obligations (CMO's) secured by GNMA, FNMA, FHLMC, FHLB, VA Vendee, or other United States Agency or GSE's.
- E. Instruments of Commercial Banks 100% covered by the FDIC, U.S. money market mutual funds, or repurchase agreements fully collateralized by United States Government, Agency, or GSE securities.
- F. Commercial Paper rated A1, or P1, as rated by S&P or Moody's
- G. Corporate and Foreign Government Bonds rated "BBB-/A3" or better as rated by S&P, or Moody's at time of purchase. All securities must be U.S. dollar denominated.
- H. Asset Backed Securities, non-agency mortgage-backed securities, and commercial mortgage-backed securities rated "BBB-/Baa3" or better as rated by S&P or Moody's at time of purchase.

Credited Interest Rate

A participant interest rate will be determined and established each calendar quarter. All money invested in the Stable Value Fund during the quarter will receive the same interest rate. Great-West will determine the quarterly interest rate based upon the average yield of the securities in the fund, plus or minus any amortizations of gains or losses in the portfolio, less fees. The resulting interest rate will then be adjusted based on expected cash flows for the quarter and general yields available for new money.

Short-Term Investments

All money received by Great-West for deposit to the Stable Asset Fund will be invested the same day it is received. Whenever possible these monies will be invested in the type of investments indicated above. However, if the monies are received at a time of the day which makes this impractical, then the monies will be invested in an interest bearing account at a commercial bank. The following business day the money will then be invested according to the above guidelines.

Quality & Diversification Guidelines

- A. A minimum of 50% of the account assets are to be invested in U.S. Treasury debt, Agency Mortgage-Backed Securities or Collateralized Mortgage Obligations as described in "A,B,C, and D" of Type of Securities.
- B. A maximum of 50% of the account assets may be invested in Corporate Bonds, Foreign Government Bonds, or Asset Backed Securities as described in "G" and "H" of Types of Investments.
- C. Weighted average quality of A+/A1 or better.
- D. No more than 25% of the account may be invested in "A" (includes securities rated A-and A+) rated securities or lower.
- E. No more than 5% of the portfolio may be invested in any one Corporate, Foreign Government, or Asset Backed security as identified in "G" and "H" of "Type of Investments" above. For purposes of diversification, each Asset-Backed or non-agency mortgage backed trust will be treated as a separate issuer.

Duration of Investments

The portfolio's average duration will not exceed five years.

Reporting

- A. On a quarterly basis, the manager will provide a statement to the Plan showing the market value of each security, the sector diversification within the portfolio, and the duration, quality and yield of the portfolio.

- B. On a quarterly basis, the manager will provide to the Plan a book value statement showing the book value of the total portfolio and describing the methodology and assumptions used to reset the crediting rate of the Stable Asset Fund.
- C. On an annual basis, a senior representative of Great-West will be made available to the Plan to present to the Plan a verbal and written review of the investment decisions, and the rationale associated with these decisions for the previous 12-month's activity.
- D. On a quarterly basis, the manager will communicate to the Plan whether the portfolio was in-compliance with these guidelines, with an explanation of any exceptions.

Trading Authority

Within the Investment Guidelines as stated in this Exhibit, Great-West has the authority to buy and sell any securities in this separate account that it judges to be in the best long-term interest of the separate account and the participants that utilize the account; provided, however, that it is understood that Investment Manager may raise cash by selling assets to provide liquidity to satisfy withdrawals.

Loan from the General Account

The general account of Great-West Life may, but is not obligated to, provide short term loans to the fund for temporary liquidity purposes. Any such loans will be re paid first from ongoing participant deposits and transfers, then from interest on investments, and lastly from the maturity of investments in the fund.

Changes to Investment Guidelines

The Group Contract holder may modify the guidelines (including duration) for investment of assets of the fund, upon approval by the Plan.

Competing Funds/Participant Liquidity

In order to protect the integrity of the fund, competing funds to the Stable Asset Fund are generally not allowed unless appropriate transfer restrictions are put in place. Competing funds include other Stable Value Funds, funds with a known or periodically declared stated rate of interest, money market funds, and bond funds with less than 3 year duration. If any new fund offered by the plan is determined by Great-West in good faith to be a competing fund an agreement regarding whether the new fund will be allowed in the Plan and/or appropriate transfer restrictions will be mutually determined. An exception to this policy has been granted to the North Shore Savings Fund. That fund is allowed in the Plan and currently has no transfer restrictions in place.

Great-West will in good faith attempt to maintain a participant transfer policy of 100% at all times. However, if it is in the best long term interest of the fund, Great-West may reduce the participant annual transfer amount to no less than 25%. This transfer limitation will be re-evaluated at least every 12 months to determine whether it should be continued. Great-West will provide proper notification and explanation to the Plan regarding any transfer restrictions that are put in place.

Amortization of Trading Gains/Losses

The general policy of the fund will be a 'buy and hold" strategy. However, to the extent that realized gains or losses occur, these gains/losses will be amortized over the expected average duration of the portfolio.