

IV. PLAN STRUCTURE

The Plans will offer an array of investment options, each with different risk and return characteristics, which will enable a participant to construct a portfolio that, in the aggregate, should meet his/her own individually desired risk and return characteristics and investment goals through separate, diversified investment options.

The following investment options, having the general investment characteristics outlined below, are authorized to be offered within the Plan:

Asset Class	Fund	Objective
Principal Preservation	Stable Value Fund	P reservation of principal and stable income
Fixed Income	Fixed Income Index Fund	T rack the performance of the Bloomberg Barclays Capital US Aggregate Bond Index
	Fixed Income Fund	M oderate principal growth with low risk of principal loss through investment in a diversified portfolio of bonds
	TIPS Fund	T rack the performance of the Bloomberg Barclays 1 -10 Year U.S. Government Inflation-linked Bond Index
Inflation Sensitive	Inflation Responsive Fund	P rovide participants of the Plan with <u>a passively</u> an actively managed option focused on providing exposure to <u>asset classes that are positively correlated with inflation, including TIPS, commodities, and REITs</u> various asset classes which show a correlation or sensitivity to inflation over various market environments
Large Cap US Equity	Large Cap Index Fund	T rack the performance of the Standard & Poor's 500 Index
	Large Cap Core Fund	L ong-term capital appreciation of larger capitalization stocks while pursuing both value and growth investment styles
Small/Mid Cap US Equity	Small/Mid Cap Index Fund	T rack the performance of the Russell 2500 Index of smaller capitalization stocks
	Small/Mid Cap Fund	L ong-term capital appreciation of smaller capitalization stocks while pursuing both value and growth investment styles
International Equity	International Index Fund	T rack the performance of the MSCI ACWI ex- US Index
	International Fund	L ong-term growth of capital utilizing a diversified portfolio of companies located outside the United States

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Inflation Responsive Fund

The Inflation Responsive Fund was established to provide participants of the Plan with a ~~passively~~actively managed option focused on providing exposure to various asset classes which show a correlation or sensitivity to inflation over various market environments.

Investment Objective

This fund seeks to provide participants with protection from rising inflation by investing in several asset classes that are expected to be positively correlated to the Consumer Price Index (“CPI”), especially during periods when the CPI is increasing. Since the Consumer Price Index is not an investible index, the strategy will not keep up with inflation in all markets and may expose investors to negative returns. ~~Based on the belief that no single asset class provides the highest correlation with CPI during all market conditions, the management team will allocate assets among several asset classes based on their evaluation of market conditions including expected sources of inflation.~~ The asset classes in which the fund will invest include TIPS, commodities, and REITs but are not limited to ~~TIPS and other inflation sensitive bonds, emerging market currencies, real estate investment trusts, commodities, and gold.~~

Investment Management

One manager has been selected for the management of this fund. The manager selected is responsible for the asset allocation of the fund across multiple asset classes ~~as well as the management decisions within the underlying asset classes.~~ A table of the current investment manager for this Option, their target allocations and the allocation range for each manager is shown in Appendix B. This strategy may utilize sophisticated investment techniques, including the use of derivatives, ~~short sales,~~ and forward settling security transactions to adjust the portfolio’s positioning.

Performance Objectives

The fund seeks to ~~provide a return that closely tracks that of the custom index*.~~ The tracking error to this objective should be less than 0.40% annually gross of fees.

- ~~• Provide a rate of return that exceeds that generated by the PIMCO Inflation Response Index* and track CPI over rolling five year periods. The Option’s returns should remain competitive with the Inflation Response Index returns over rolling three year periods.~~
- ~~• Maintain a risk level, as measured by the standard deviation of monthly returns, which does not exceed 150% of the risk of the Inflation Response Index over rolling five year periods.~~

** The benchmark is a custom benchmark according to the following weightings: Bloomberg Barclays US TIPS Index: 41.4%; FTSE EPRA NAREIT Developed Index: 37.1%; Bloomberg Roll Select Commodity Total Return Index: 21.5%. Note: The investment manager will make slight changes to the weightings of the underlying*

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~~allocations to the custom benchmark annually. This policy will be updated accordingly. The PIMCO Inflation Response Index is a composite index of five real return asset classes: TIPS, represented by Bloomberg Barclays Capital U.S. TIPS Index; Commodities, represented by DJ-UBS Commodity TR Index; REITs, represented by Dow Jones U.S. Select REIT Index; Emerging Market Currencies, represented by JPM Emerging Local Market ELMI Plus Index; and Gold, represented by DJ-UBS Gold TR Index. The five asset classes have the following weights, to which the index rebalances at the beginning of every month: TIPS – 45%, Commodities – 20%, REITs – 10%, Emerging Market Currencies – 15% and Gold – 10%. The index was designed by PIMCO to represent a diversified basket of asset classes that they have judged to serve either as an explicit or as an implicit inflation hedge.~~

APPENDIX A

INVESTMENT FUND MANAGER MANDATES AND BENCHMARKS

Definitions

Investment option (or option): A specific investment fund offered to a participant. May be composed of one or more Commingled Funds and/or Separate Accounts.

Pooled investment: A pooled investment option or fund is a structure where multiple investment managers are responsible for managing a portion of the option's or fund's assets.

Mandate: A set of objectives and guidelines that describe a type of portfolio. Mandates are assigned to individual portfolio managers.

APPENDIX A

Asset Class	Investment Manager	Benchmark	Universe
Stable Value	Galliard	3-Year Constant Maturity Yield	Stable Value
Fixed Income	Prudential Global Investment Management	Bloomberg Barclays Capital Aggregate	Core Plus Bond
	TCW	Bloomberg Barclays Capital Aggregate	Core Plus Bond
Fixed Income Index	BlackRock	Bloomberg Barclays Capital Aggregate	Core Bond
Inflation Sensitive Fund	BlackRock PIMC ⊖	Custom ¹	Real Assets None
Large Cap Index	BlackRock	S & P 500	Large Cap Core Index
Large Cap Core	Hotchkis & Wiley	Russell 1000 Value	Large Cap Value Equity
	Macquarie	Russell 1000 Value	Large Cap Value Equity
	Sands Capital	Russell 1000 Growth	Large Cap Growth Equity

¹ ~~Inflation Sensitive Index: Bloomberg Barclays US TIPS Index: 41.4%; FTSE EPRA NAREIT Developed Index: 37.1%; Bloomberg Roll Select Commodity Total Return Index: 21.5%. Inflation Sensitive Index: 45% Bloomberg Barclays Capital U.S. TIPS Index; 20% DJ-UBS Commodity TR Index; 10% Dow Jones U.S. Select REIT Index; 15% JPM Emerging Local Market ELMI Plus Index; 10% DJ-UBS Gold TR Index.~~

APPENDIX B

INVESTMENT FUND MANAGER MANDATES AND BENCHMARKS

TIPS Fund

Investment Manager	Target Allocation
BlackRock	100.0%

Inflation Sensitive Fund

Investment Manager	Target Allocation
PIMCO BlackRock	100%

Fixed Income Fund

Investment Manager	Target Allocation	Allocation Range
TCW	50.0%	+/- 3%
Prudential Global Investment Management	50.0%	+/- 3%

Fixed Income Index Fund

Investment Manager	Target Allocation
BlackRock	100%

Appendix D Investment Array

Tier I Target Date Funds	Tier II - A Passive Core Options	Tier II - B Active Core Options	Tier III Specialty Options
Goal Maker		Stable Value Fund Galliard Stable Value	
	Fixed Income Passive BlackRock Debt Index	Fixed Income Fund TCW Core Plus Bond PGIM Core Plus Bond	
		Inflation Responsive Fund PIMCO IRMAF <u>BlackRock Strategic Completion</u>	
	Large Cap Equity Passive BlackRock Equity Index	Large Cap Core Fund Hotchkis & Wiley Large Cap Value Macquarie Large Cap Value Sands Capital Large Cap Growth Loomis Large Cap Growth BlackRock Russell 1000 Index	
	Small/Mid Cap Equity Passive BlackRock Russell 2500 Index	Small/Mid Cap Fund Hotchkis & Wiley SMID Cap Value Earnest Partners SMID Cap Value Wedge SMID Cap Value Brown Advisory SMID Cap Growth BlackRock Russell 2500 Index	
International Equity Passive BlackRock MSCI ACWI ex US Index	International Equity Fund Baillie Gifford ACWI ex US Growth Mondrian ACWI ex US Value		

IPS Revision History

Version	Approved	Summary of Changes
1.4	Dec 2011	<ul style="list-style-type: none"> ▪ Change Stable Value guidelines to refer to “manager” generically and not Galliard specifically
1.5	June 2012	<ul style="list-style-type: none"> ▪ Change consultant reporting to quarterly ▪ Change global equity from “Opportunistic” to just Global Equity Fund, updated guidelines to traditional long equity ▪ Add Max 10% security limit to all equity funds ▪ Add new managers and update fund target allocations: ▪ Neuberger, Robeco, Wedge, Arrowstreet
1.6	June 2013	<ul style="list-style-type: none"> ▪ Move Global Equity country max limit to 60% from 50% (Approved Nov 2012) ▪ Add Inflation Fund ▪ Add revision history
1.7	September 2013	<ul style="list-style-type: none"> ▪ Clarify language around use of leverage in general; leverage prohibited except where permission granted by the Board. ▪ Add prohibition against purchasing initial offerings from affiliated entities of the investment manager ▪ Add Exceptions Granted table ▪ Modify global equity fund guidelines to allow smaller cap companies and frontier market countries
1.8	December 2013	<ul style="list-style-type: none"> ▪ Prohibited from purchasing securities from affiliates of the Manager in an initial offering, unless granted permission by the Board
2.0	December 2015	<ul style="list-style-type: none"> ▪ Removed detailed investment guidelines for each of the funds
2.1	May 2016	<ul style="list-style-type: none"> ▪ Separate and revise duties of investment consultant and IMD ▪ Revise duties of RSD ▪ Add delegated glidepath provider to definition of investment manager
3.0	September 2017	<ul style="list-style-type: none"> ▪ Eliminate Large Cap Growth, Large Cap Value, Small/Mid Cap Growth, and Small/Mid Cap Value Funds ▪ Add Large Cap Core and Small/Mid Cap Core Funds

		<ul style="list-style-type: none"> ▪ Separate and revise duties of investment consultant and IMD ▪ Add glidepath review, recommendation, and approval ▪ Make other revisions and clarification
3.1	March 12, 2018	<ul style="list-style-type: none"> ▪ Change default retirement age for asset allocation model ▪ Correct the weighting of the JPM Emerging Local Market ELMI Plus Index in the Inflation Sensitive Index in the footnote of Appendix A
3.2	June 21, 2018	<ul style="list-style-type: none"> ▪ Remove the Global Equity Fund ▪ Add the TIPS Fund ▪ Change the Small/Mid Cap Core Fund to the Small/Mid Cap Fund
<u>3.3</u>	<u>March 21, 2019</u>	<ul style="list-style-type: none"> ▪ <u>Change manager for Inflation Responsive Fund</u> ▪ <u>Change investment consultant</u>