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## Section One – Overview, Purpose and Objectives

### ***Purpose of Investment Practices Statement***

The Employer offers a retirement plan which is a supplemental employee benefit plan intended to comply with all applicable federal laws and regulations and other applicable state and federal laws.

This Investment Practices Statement (“the IPS”) has been adopted by the Plan Sponsor or Committee to provide guide lines for the investment and management of assets held for the benefit of participants and beneficiaries of the plan utilizing the Security Benefit SFR® Program.

This IPS shall remain in effect until revised or amended by the authorized person or committee. It is anticipated that the IPS will be reviewed from time to time, at least annually, to assure its continued accuracy and efficacy.

### **Statement of Plan Purpose**

The Plan has been established to provide eligible employees with a vehicle to accumulate and manage assets targeted to fund retirement and other financial needs. The IPS is designed to outline the controlling philosophies and processes for the selection, monitoring and evaluation of the investment options used by the Plan.

Recognizing that participants have differing investment objectives, they will be afforded the ability to direct their contributions and account balances among a range of investment options in order to construct a diversified portfolio that meets their specific objectives. Participants and their beneficiaries alone bear the risk of investment results from the options and the asset mixes that they select in the Plan.

### **Plan Objectives**

The primary objectives of the Plan are to:

- Provide Participants with the opportunity to accumulate assets, on a tax deferred basis, to provide funds for retirement or for other allowable uses.
- Offer a range and variety of investment options (the “investment program”) that meet the needs of the majority of Plan Participants.
- Deliver plan services, administration and investment options at reasonable cost.
- Provide Participants with the opportunity to defer taxable income.

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## Section Two – Oversight Responsibilities

Parties responsible for oversight of the Plan may be identified and documented by exhibit to this document or other Plan documentation supporting the establishment and operation of the Plan. These may include:

- Employer as Plan Sponsor
- Investment or Retirement Committee
- Investment Advisor
- Plan Consultant
- Custodian
- Recordkeeper/Administration Provider
- Legal Counsel

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These duties may include:

- As dictated by conditions set forth in the Investment Practices Statement (IPS), oversee the addition and/or removal of specific funds from time-to-time as needed.
- Assure compliance of the Plan documents and its operations with applicable rules, regulations and best practices.
- Assure timeliness of transactions and deposit of contributions.
- Conduct a periodic review of the IPS.
- Designate investment categories available to Participants that is sufficient in number and diversification.
- Develop and assure continued conformance with an IPS.
- Establish criteria against which to measure progress toward achieving the Plan objectives and the performance of the selected fund options.
- Monitor funds for continued suitability and comparative performance within investment categories and provide explanatory analysis for selected time periods.
- Monitor investment program for performance and continued suitability and communicate those results to the appropriate oversight committee or individual.
- Provide ongoing oversight related to the operation and administration of the Plan and its investment program.
- Prudently and diligently select a number of fund options within each investment category from which participants may choose.

### Section Three – Investment Objectives

The Plan’s investment program will be constructed to achieve the following objectives:

- Provide the opportunity to maximize returns with a prudent level of risk.
- Provide returns within investment categories that are comparable and competitive with those of similar investment options.

### Section Four – Investment Program / Investment Categories

#### Investment Program of the Plan

The Plan has made an affirmative decision to use investment products and services offered by Security Distributors. Investments available through the provider may be based upon issues of plan size, service requirements, expense reimbursement and other business management issues.

Investment Categories selected for use by the Plan (“the Investment Program”) are as follows:

Asset Class		Asset Class		Asset Class	
LG	Large Growth	TK	Target-Date 2045	CS	Short-Term Bond
LB	Large Blend	TJ	Target-Date 2040	HY	High Yield Bond
LV	Large Value	TI	Target-Date 2035	IP	Inflation-Protected Bond
MG	Mid Cap Growth	TH	Target-Date 2030	IB	World Bond
MV	Mid Cap Blend	TG	Target-Date 2025	TM	Money Market Taxable
MV	Mid Cap Value	TE	Target-Date 2020	STA	Stable Asset
SG	Small Growth	TD	Target-Date 2015	IH	World Allocation
SB	Small Blend	TA	Target-Date 2000-2010	TW	Corporate Bond
SN	Specialty Natural Resources	MA	Moderate Allocation	SV	Small Value
ST	Specialty Technology	EM	Diversified Emerging Markets	BL	Bank Loan
SR	Specialty Real Estate	FV	Foreign Large Value	CA	Conservative Allocation
XQ	Target-Date 2060+	FG	Foreign Large Growth	NT	Nontraditional Bond
TL	Target-Date 2055	WS	World Stock	MU	Multisector Bond
TN	Target-Date 2050	CI	Intermediate-Term Bond		

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## Section Five – Selection & Monitoring of Investment Options

### Selection Standards and Criteria

The authorized parties will consider appropriate elements of management for investments available under the Plan. Investment options will be chosen on the basis of compatibility with Plan objectives and Participant diversification needs.

Considerations and standards used to support decision-making regarding selection and monitoring of the Plan's investment options may be both quantitative as well as qualitative in nature.

These include, but are not limited to, the following:

- Comparative performance within fund category.
- Risk assessment, adjustment and measurement.
- Competitive fees associated with investment management, fund operations and administration.
- Fund portfolio management style and manager tenure.
- Business reputation and a position in good standing with regulators.
- Lack of material pending legal issues or concluded legal actions.
- Oversight policies of fund investment advisors and fund boards (directors or trustees).

Additional considerations may include such factors as general economic and financial market conditions and trends; overall diversification of the investment options; and the adherence of each option to its stated investment objectives.

### Monitoring of Investment Options

The **Investment Program** will be reviewed on at least a quarterly basis, including an evaluation of each investment option in terms of performance and other investment standards.

**Specifically, the investment options of the plan will be measured against an appropriate peer group by style, based upon:**

**A. Total return over 3 year period:**

*Median or greater for its peer group*

**C. Risk adjusted return over 3 year period:**

*No less than 75% for its peer group*

**B. Total return over 5 year period:**

*Median or greater for its peer group*

**D. Fund operating expense ratio:**

*No more than 75% of its peer group*

The Investment Program will be monitored to ensure that the investment options continue to meet the investment standards reflected in this document. If a fund has failed to pass the above criteria for six consecutive quarters, it will be removed and replaced with a like fund in the same investment category. Fund removals, replacements and additions will occur annually. Certain circumstances or market conditions may not permit a fund to be replaced with another fund in the same investment category. Exceptions to the investment standards may be made for a fund in certain circumstances and noted in the monitoring report.

It is anticipated that if an investment committee is formed, it will meet from time to time, at least annually, to fulfill the specified responsibilities outlined in the IPS. Such meetings may be held in person or may be conducted via telephone.

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## Section Six – Plan Investment Options

The Plan has selected the investment options available in the Security Benefit SFR Program as available investments in the Plan.

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## Section Seven – Legal & Disclosure

### Security Benefit

In providing access to this customized, plan-specific investment practices statement, Security Benefit shall not be deemed an agent or fiduciary to, the Plan.

Security Benefit and its affiliates have taken every effort to ensure that the systemic elements that produced this document accurately reflect the needs, constraints and objectives of the Plan and its Participants.

Neither Security Financial Resources (SFR) nor Security Distributors is a fiduciary and the information provided is not intended to be investment advice. This information is general in nature and intended for use with the general public. For additional information, including any specific advice or recommendations, please visit with your financial professional.

**You should consider the investment objectives, risks, and charges and expenses of the mutual funds carefully before investing. You may obtain a prospectus that contains this and other information about the funds by calling our National Service Center at 800.888.2461. You should read the prospectus carefully before investing. Investing in the funds involves risk and there is no guarantee of investment results.**

**Past performance is no guarantee of future results. Investing in mutual funds involves risk. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.**

For fund specific performance and risks, refer to the SFR Program performance sheet for the most recent quarter end.

The SFR Program is distributed by **Security Distributors**



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