



## *Investment Policy Statement*

**Adopted: March 1, 2016**

### **Plan Purpose:**

The Wisconsin Select Program (the Program) was established February 1, 2016 to provide a retirement savings program primarily for the employees of Wisconsin-based employers. The program is offered simultaneously as a 401(k), 403(b) and 457(b), and is intended to operate in accordance with all applicable state and federal laws as well as the provisions of Department of Labor regulations issued pursuant to ERISA Section 404(c).

All decisions regarding investment options, administrative issues, and communication efforts must be made for the exclusive purpose of benefiting Plan participants.

Appleton Group LLC serves as the 3(38) Discretionary Fiduciary (the Fiduciary) to the Wisconsin Select Program and is responsible for the general oversight and due diligence of the Program's investment lineup and administration. The Fiduciary will select and monitor the investment options and administrative functions of the Program to support the following broad goals:

- ✓ **Promote and maximize retirement savings accumulation by Plan participants**
- ✓ **Provide Plan participants with a wide range of asset categories and investment options designed to meet their retirement goals and investment objectives**
- ✓ **Outline how the asset categories and investment options are selected**
- ✓ **Encourage a high overall participation rate and consistent saving habits**
- ✓ **Obtain investment options and administration services at reasonable costs**

### **Participant Characteristics:**

While plan participants are ultimately responsible for their own investment decisions, the Fiduciary must strive to provide a suitable range of investment options, allowing participants to invest in accordance with their own retirement goals, risk tolerances and saving/investing time horizons.

Because of the broad range of ages and investment knowledge, the Fiduciary will select a diverse number of investment options that would allow most participants to select investment options that meet individual risk tolerances.

### **Selection of Asset Categories:**

The plan intends to comply with ERISA Section 404(c) and it will provide, at a minimum, three investment options that have materially different risk and return profiles. To provide further diversification, the Fiduciary will select a broad array of investment categories to accommodate a wide range of risk/return preferences among plan participants.

### **Selection of Investment Options:**

In addition to the above criteria, the Fiduciary will consider the following criteria in selecting the plan's investment options:

- **A minimum performance record.**
  - The investment option and investment manager must have a reasonable performance record, typically a minimum of three years. If an investment manager is new to an investment option, he or she would be considered to have a minimum performance record if he or she had managed a similar investment option for a minimum of three years.
- **The investment option's historical return relative to its peers.**
  - The investment option should have readily comparable net return to its peers over trailing standard performance periods.
- **The amount of risk taken to achieve those return.**
  - The investment option should have readily comparable risk compared to its peers if the similar returns are achieved.
- **The consistency of the investment option's return.**
  - The investment's performance should be relatively consistent over time (when overall market conditions are considered). Excessive underperformance over time may reflect inherent characteristics of the investment option's style that leads to unpredictable performance. In addition, investments that are prone to frequent periods of underperformance and/or excessive risk are most likely to cause participant dissatisfaction.
- **The investment manager's tenure.**
  - The investment manager should have a reasonable tenure with the investment to ensure that its past performance is attributed to the particular manager or management team.
- **The consistency of the investment option's investment style.**
  - The offering's investment style should be fairly consistent over time. A reasonable level of style purity is necessary in those offerings which are designed for use by the participant in building and managing his/her own portfolio so participants can rely on the investments to fill their expected diversification roles within the plan.
- **The investment option's expenses.**
  - The investment option should have reasonable expenses. High-expense investment options must work harder over time than their lower-expense peers to achieve similar returns and risk profiles.

- **Overall lineup of investment options.**
  - The investment options available to participants should cover a wide range of return and risk objectives and provide adequate diversification.
- **Any factors that would make an investment option inappropriate.**
  - Criteria such as compliance breaks, bloated asset base, excessive sector or position concentration may render the investment option inappropriate for the retirement plan.

**Monitoring of Investment Policy and Investment Performance:**

The Fiduciary will review the overall investment policy and monitor each investment option on at least an annual basis. Specifically, the Fiduciary will examine the investment options' risk-adjusted performance, overall risks, style consistency, performance consistency, expenses and portfolio characteristics.

Other factors will be considered as well, such as manager changes, asset growth and size, and nuances of - or changes in - investment styles. Investment options that stray from their investment style, experience management/organizational changes, or have relative declines in either their performance or risk rankings, may be recommended for removal or quarantine. Alternatively the investment option could be placed on a "watch list" for future monitoring until a definitive decision can be made.

**Participant Education and Communication:**

The Fiduciary will educate and assist advisors and their participants in making informed investment decisions that are appropriate for their retirement goals. Additionally, the Fiduciary will provide communication and education materials to advisors and participants on a periodic basis. The Fiduciary will also provide summary pages for the investment options within the investment policy.

**Conclusion:**

This Investment Policy Statement should be reviewed annually for necessary modification resulting from regulatory changes and the incorporation of updated best practices. This Investment Policy Statement shall remain in effect until revised or amended by the Fiduciary.