UNIVERSITY OF OKLAHOMA
RETIREMENT PLANS

INVESTMENT OBJECTIVES AND POLICY GUIDELINES
# Table of Contents

I. INTRODUCTION.................................................................................................................. 1

II. PURPOSE.............................................................................................................................. 1

III. PLANS’ OBJECTIVE ......................................................................................................... 2

IV. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE ............................................. 2

V. PRUDE, ETHICS AND CONFLICT OF INTEREST ......................................................... 3

VI. INVESTMENT OBJECTIVES OF THE PLANS ............................................................... 3

VII. FUND SELECTION CRITERIA .......................................................................................... 3

VIII. MONITORING INVESTMENT ALTERNATIVES .......................................................... 5

IX. COMMUNICATIONS TO PARTICIPANTS ......................................................................... 11

X. DUTIES OF TRUSTEE ......................................................................................................... 11

XI. PLAN RECORDKEEPING .................................................................................................. 11

XII. REVIEW/CHANGES TO INVESTMENT POLICY STATEMENT .................................... 12

XIII. THE CONSULTANT .......................................................................................................... 13

XIV. INVESTMENT OPTIONS AND PERFORMANCE MEASUREMENT ............................. 14

XV. INVESTMENT MANAGERS’ RESPONSIBILITIES ......................................................... 14

XVI. AMENDMENT .................................................................................................................. 15
University of Oklahoma
Retirement Plans

Investment Objectives and Policy Guidelines

Approved March 2011

I. INTRODUCTION

The Investment Objectives and Policy Guidelines (“the Policy”) govern the investment of the assets held in trust or in a separate account for the following retirement plans:

1. Defined Contribution Plan – IRC §401(a) (DCP)
2. Optional Retirement Plan – IRC §401(a) (ORP)
3. Voluntary IRC §403(b) – IRC §403(b) Plan
4. Voluntary IRC §457(b) – IRC §457(b) Plan

(collectively, the “Plans”)

While the University does sponsor certain defined benefit retirement plans, at the present time the Policy shall not apply to any defined benefit retirement plan or any other defined contribution plan not named above unless the Committee specifically provides for such management and oversight. While the University maintains several defined contribution plans, not all employees of the University participate in all of the plans. Therefore, the Policy shall only be applicable with respect to that particular plan in which the employee of the University is participating.

II. PURPOSE

This document sets forth the Policy established by the University Retirement Plans Management Committee (“the Committee”) for the University. The purpose of the Policy is to provide the University Board of Regents (the “Board of Regents”), University of Oklahoma staff, Investment Managers (defined in III, below), and participants in the Plans and beneficiaries with information concerning the investment of the Plans’ assets and the expectations and requirements of the Committee with respect to Investment Managers’ or investment performance of Investment Options (defined in III, below). The Committee must agree that this Policy will apply to any one or all of the Plans for the Policy to control and be applicable to such Plans.

This Investment Policy is also intended to be a summary of an investment philosophy that provides guidance for the University, the Committee, and other parties interested in the management of the Plans. It is the intent of this Policy to provide a meaningful decision-making framework for the Committee. The Policy will not be overly restrictive given the changing economic, business and capital market conditions and
the objectives of the Policy will be sufficiently specific to be meaningful, but flexible enough to be practical. It is understood that there can be no guarantees about the attainment of the goals or investment objectives or performance outlined here.

III. PLANS’ OBJECTIVE

The objective of the Policy is to provide employees of the University who participate in the applicable Plans with a source of retirement income from accumulated contributions and investment returns of the Plans. The assets of the Plans are for the benefit of the participants and their beneficiaries in the Plans and are established for their exclusive benefit.

The Plans are designed to invest primarily in mutual funds, or certain fixed annuity income products (collectively herein referred to as the “Investment Options”). For the purpose of this Policy, the term “fund” or “funds” also includes Investment Options. Further, certain of the Investment Options may also be separate accounts that are managed by an “investment manager” (the “Investment Manager”) which shall be a fiduciary with respect to the applicable Plan to which it is rendering investment advice, management and monitoring services.

IV. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

The Committee

The Committee shall serve as an administrative and advisory body to the Board of Regents or the Board of Regents’ delegate. The purpose, duties and responsibilities for this Committee are contained in the Charter for the Committee which has been approved by the University Board of Regents.

In general, the Committee is responsible for the oversight of the Plan’s assets and for defining the investment objectives and policies for the Plan’s assets, subject to the overall guidelines set forth in this Investment Policy and applicable law. The Committee has the responsibility to make changes in the Policy and to implement approved policy, guidelines and objectives. The Committee may also appoint consultants, recordkeepers, and administrators to assist in the management of the Plans’ assets.

The Committee acknowledges its limited fiduciary responsibilities to the participants in the Plans. Accordingly, the Committee has defined the investment objectives and policies for the Plan’s assets consistent with all fiduciary rules and regulations. The Committee in discharging its limited fiduciary responsibility will select and monitor Investment Options that support the attainment of the Plans’ objectives and will establish guidelines to further this goal.
The Committee will also review the expense ratios of each Investment Option, as well as all other expense items charged to each Investment Option to determine whether such expenses are reasonable and appropriate. Section 12b-1 fees attributable to Investment Options, if any, in the Plan will be applied in accordance with applicable law.

V. **PRUDENCE, ETHICS AND CONFLICT OF INTEREST**

All fiduciaries involved in the investment process shall act responsibly and without conflict with other business or personal interests, in accordance with the Universities’ Conflict of Interest Policy and annual declarations. The standard of prudence to be applied to the Committee, the Consultant (defined in XIII, below), each Investment Manager, and each other fiduciary respecting management of Plan assets shall be the “prudent investor” rule. This rule requires each fiduciary to manage assets as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the Plans. In satisfying this standard, the fiduciary shall exercise reasonable care, skill, and caution. A fiduciary’s investment and management decisions respecting individual assets must be evaluated not in isolation but in the context of the Plan as a whole.

VI. **INVESTMENT OBJECTIVES OF THE PLANS**

The Plans overall investment program will seek to achieve two objectives: Long-term investment performance and flexibility. The Committee will select and monitor Investment Options that support the attainment of the Plans objectives and establish investment guidelines to further this goal.

The retirement savings needs of the Plans’ participants and their beneficiaries are long-term in nature; consequently, the Investment Options in the Plans have a long-term focus. It is intended that the Investment Options offered by the applicable Plan provide a long-term competitive rate of return on investments, net of expenses, which are equal to or exceed agreed upon benchmarks.

The Plans will provide an investment program flexible enough to meet the varying needs of participants and their different risk tolerances, and to provide each individual with the ability to construct a diversified portfolio to meet his/her long-term savings goals.

VII. **FUND SELECTION CRITERIA**

The Investment Options offered under the applicable Plan shall be limited to (i) mutual funds that invest primarily in securities that are publicly traded on the New
York Stock Exchange, American Stock Exchange, the National Association of Securities Dealers Automated Quotation System (NASDAQ), or on an international stock exchange or (ii) fixed income investments, or (iii) stable value funds, money market mutual funds, or general-account backed fixed annuities, or (iv) institutional mutual funds, exchange traded funds, and/or pooled investment funds that can be valued daily.

Each Investment Option will be chosen on the basis of compatibility with Plans’ objectives, participant demographics, and participant interest, to help potentially satisfy the investment goals of both passive and active investors, and to facilitate the development of individual asset allocation strategies. Though not exhaustive, below is a list of guidelines the Committee will consider when making fund selections:

| **Fund Management/Expenses/Administrative Feasibility** | ✓ Diversification, prudent management, and reasonable opportunities for appreciation in value or earnings.  
✓ Reasonable and competitive expense levels.  
✓ Adherence to the style and philosophy presented by the Investment Manager/fund family.  
✓ Administrative feasibility and costs to participants associated with changing/add ing funds.  
✓ Total number of funds in the Plans and number of funds in each category. |
| **Performance** | ✓ Record of performing near or above the relevant published market indices over an entire market cycle (generally 3-5 years).  
✓ Record of consistently outperforming the median of a universe of similar funds. |
| **Communication/Reporting** | ✓ Funds/managers that provide frequent updates to their shareholders regarding investment holdings and performance, as well as a clear definition of their management, philosophy and strategy. |
| **Corporate Stability/Personnel** | ✓ Financial stability of the company managing the fund.  
✓ Stability of investment management personnel turnover, capabilities and compensation structure. |
| **Operations** | ✓ Ease and ability to make transfers and process liquidations, distributions and contributions.  
✓ Waiting period requirements on fund changes should be closely analyzed. |
Investment Criteria
A Glossary of Terms is attached and defines certain terms used herein.

- At least five years of supportable performance track record. Results from a previous fund may be applied if manager is deemed to have been responsible for that performance and the performance numbers can be audited and verified and there is a consistency of process and style.
- A positive “Alpha” for at least three years (index funds to be exempt from this requirement).
- A three-year or longer historic “Total Time Weighted Return” equal or greater than the 50th percentile of its appropriate “Peer Group”.
- A three-year or longer historic “Total Time Weighted Return” that equals or exceeds the appropriate market index investment objective by the percentage specified by the Committee (Index funds to be exempt from this requirement).
- A “Beta” for three years or longer that is reasonable for the investment option’s investment style.
- A clearly distinguishable investment philosophy and process.
- Defined parameters for diversification.
- Internal checks and balances to assure consistent investment discipline.
- No front end load.
- No back end load.
- No deferred sales charge.

VIII. MONITORING INVESTMENT ALTERNATIVES

The Committee will review the investment objectives, risk characteristics, service organizations, investment performance, and expenses of the Investment Options on at least an annual basis. The Committee may retain an outside consultant or advisor to provide a report and assist in the evaluation of such funds.

Generally, a fund will be evaluated over a full market cycle, defined as three to five years. At its discretion, the Committee may choose to evaluate a fund over a shorter period. During the review, the Committee will review the following with respect to each fund:

- Fund management/expenses and administrative feasibility;
- Performance;
• Communication/reporting;
• Corporate stability/personnel; and
• Operations.

With respect to performance, the Committee will evaluate funds against a variety of measures including one or more of the following:

• Performance relative to an appropriate index;
• Relative performance versus other similarly managed funds as defined by a universe of other funds/managers;
• An analysis of risk and risk adjusted performance; and
• An analysis of adherence to and implementation of style.

The Committee’s specific objectives for each of the Investment Options are as follows. For all references to percentile rankings, 1st percentile is considered the best and 100th percentile is considered the worst.

The specific performance comparison criteria for each fund type will be as follows.

A. **Money Market** - This actively managed Investment Option primarily consists of high quality investment contracts, alternative investment contracts, cash, and cash equivalents. Obtaining stable, year-to-year income returns is the basic investment objective for this Investment Option. The Investment Manager shall employ various techniques to produce stability of principal within the portfolio. During a market cycle (approximated by the three and five-year evaluation periods), the Investment Manager’s investment performance, after expenses, will be measured against an appropriate Index (TBD based on fund selection).

B. **Stable Value & Fixed Annuity** - This actively managed Investment Option will consist of high quality intermediate term bonds, combined with stabilizing wrap contracts that allow the fund to maintain a stable value while providing a moderate, consistently positive rate of return. Obtaining stable, year-to-year positive returns consistent with the preservation of principal is the basic investment objective for this Fund. The manager shall employ various techniques to produce stability of principal within the portfolio. It is expected that returns shall, throughout time, be competitive with the income provided by intermediate-term, high quality fixed income securities. During a market cycle (approximated by the three and five-year evaluation periods), the Investment Manager’s investment performance, after expenses, will be measured against the Hueler Stable Value Pooled Fund Index on a book value basis. As the Hueler index represents a diverse array of active management strategies with
varying degrees of associated risk, the Committee may take into account the Investment Manager’s level of conservatism when evaluating results against this index. On a market value basis, (if available) the underlying portfolio is expected to outperform the Barclay’s Capital U.S. Aggregate 1-5 Year Index. The Committee may take into account the potential for significant tracking error relative to this Index.

C. **Fixed Income Index** - This passive Investment Option consists primarily of fixed income securities and cash. This Investment Option is considered a passive investment strategy. It is expected that the Investment Manager’s investment performance gross of expenses, during a market cycle, (approximated by the three and five-year evaluation periods) shall track the Barclays Aggregate Bond Index.

D. **Fixed Income** - This actively managed Investment Option consists primarily of fixed income securities and cash. Investment performance comparison against the Barclays Aggregate Bond Index and against managers investing with similar objectives shall be used for manager assessment. It is expected that the Investment Manager’s investment performance, after expenses, during a market cycle, (approximated by the three and five-year evaluation periods) should exceed the Barclays Aggregate Bond Index and should rank in the 40th percentile or better in a universe of similar managers.

E. **Inflation-Linked Bond** - This actively managed Investment Option invests at least 65% in inflation-indexed bonds issued by U.S. and foreign governments, protected securities, other inflation-linked securities, cash, and cash equivalents. Obtaining a rate of return that preserves investments in real terms is the basis investment objective for this Investment Option. During a market cycle, (approximated by the three and five-year evaluation periods) the Investment Manager’s investment performance, after expenses, should exceed the Barclay’s Capital US TIPS index.

F. **Inflation-Targeting Strategies** –This actively managed Investment Option will consist of a series of U.S. stocks, U.S. intermediate bonds, U.S. and international inflation-linked bonds, commodities, and global natural resource stocks. Investments in a Real Return fund will entail domestic and international equity and fixed income risks, currency risk, and active management risk. Investment performance will be measured against a benchmark of the CPI plus 4% annually, as well as against a custom benchmark specific to the allocation of the fund selected for the plan. It is expected that the Investment Manager’s investment performance, after expenses, during a market cycle, (approximated by the three and five year evaluation periods) should exceed the benchmark indexes.
G. **US Large Cap Value Equity** - This actively managed Investment Option consists primarily of common stocks. Investment performance, compared to the Russell 1000 Value Index and to Investment Managers investing with similar objectives and style, shall be the primary standard for evaluation. It is expected that the Investment Manager’s investment performance, after expenses, during a market cycle, (approximated by the three and five-year evaluation periods) should exceed the Russell 1000 Value Index and rank in the 40th percentile or better in a universe of similar managers.

H. **Index US All Cap Blend Equity** - This Investment Option seeks to replicate the holdings and performance of the Dow Jones U.S. Total Stock Market Index. It is expected that the Investment Manager’s investment performance gross of expenses, during a market cycle, (approximated by the three and five-year evaluation periods) shall track the Dow Jones U.S. Total Stock Market Index.

I. **US Large Cap Growth Equity** - This actively managed Investment Option consists primarily of common stocks. Investment performance, compared to the Russell 1000 Growth Index and to managers investing with similar objectives and style, shall be the primary standard for evaluation. It is expected that the Investment Manager’s investment performance, after expenses, during a market cycle, (approximated by the three and five-year evaluation periods) should exceed the Russell 1000 Growth Index and rank in the 40th percentile or better in a universe of similar managers.

J. **US Small/Mid Cap Equity Index** - This Investment Option seeks to replicate the performance of the Russell 2500 Index. This Investment Option is considered a passive investment strategy. It is expected that the Investment Manager’s investment performance gross of expenses, during a market cycle, (approximated by the three and five-year evaluation periods) shall track the Russell 2500 Index.

K. **US Small/Mid Cap Value Equity** - This actively managed Investment Option consists primarily of common stocks of smaller companies. Investment performance, compared to the Russell Mid-Cap Value Index and to Investment Managers investing with similar objectives and style, shall be the primary standard for evaluation. It is expected that the Investment Manager’s investment performance, after expenses, during a market cycle, (approximated by the three and five-year evaluation periods) should exceed the Russell Mid-Cap Value Index and rank in the 40th percentile or better in a universe of similar managers.
L. **US Small/Mid Cap Growth Equity** - This actively managed Investment Option consists primarily of common stocks of smaller companies. Investment performance, compared to the Russell 2000 Growth Index and to managers investing with similar objectives and style, shall be the primary standard for evaluation. It is expected that the Investment Manager’s investment performance, after expenses, during a market cycle, (approximated by the three and five-year evaluation periods) should exceed the Russell 2000 Growth Index and rank in the 40th percentile or better in a universe of similar managers.

M. **International Equity Index** - The Investment Option seeks to replicate the performance of the Morgan Stanley Capital International (MSCI) All Country World ex-U.S. Index. It is expected that the Investment Manager’s investment performance gross of expenses, during a market cycle, (approximated by the three and five-year evaluation periods) shall track the MSCI All Country World ex-U.S. Index.

N. **International Equity** - This actively managed Investment Option consists primarily of common stocks of non-U.S. companies. Investment performance will be measured against the Morgan Stanley Capital International (MSCI) All Country World ex-U.S. Index and against Investment Manager’s investing with similar objectives. It is expected that the Investment Manager’s investment performance, after expenses, during a market cycle, (approximated by the three and five-year evaluation periods) should exceed the MSCI All Country World ex-U.S. Index and should rank in the 40th percentile or better in a universe of similar managers.

O. **Target Retirement Date Funds** - The target-date retirement funds are a series of investment funds that are systematically diversified and have different return and risk characteristics based on the targeted maturity date of the fund, which is expected to coincide with the approximate retirement date of the participant. Generally the funds with longer dated maturities will be more aggressively allocated to equities, and will be managed over time to become more conservative as the maturity date nears.

Specific performance objectives include, but are not necessarily limited to, the following: Exceed the return of the hypothetical indexed portfolios of similar allocations (net of fees) over three and five year time periods. Target-age retirement funds will be compared to a nationally recognized universe of target retirement date funds with similar maturity dates. However, due to differences in asset allocation and structure of the underlying investments (active vs. passive, value vs. growth, etc.), this peer group analysis may be less meaningful than peer comparisons for other Investment Options in the Plan.
The Committee will review all Investment Options at least annually. Upon completion of the annual review, the Committee may consider an Investment Option for termination if the Committee determines that the fund no longer meets the needs of the Plan. The Committee may, but is not required, to place a fund on a “watch list” for further review. Alternatively, the Committee may remove or add a fund at any meeting. The Committee will consider a fund for termination and/or replacement if a fund consistently experiences events or exhibits the characteristics listed below.

| Fund Management/Expenses | ✓ Fails to remain appropriately diversified.  
| ✓ Experiences unreasonable expenses.  
| ✓ Experiences changes to investment goal or style. |
|-------------------------|-------------------------------------------------|
| Performance             | ✓ Underperforms relative to indices.  
| ✓ Underperforms relative to peer group over trailing three and five year periods. |
| Communications/Reporting| ✓ Fails to provide ongoing information to the Committee. |
| Corporate Stability/Personnel | ✓ Experiences negative financial press affecting the reputation of the firm.  
| ✓ Experiences change in company ownership structure.  
| ✓ Experiences a decrease in financial stability.  
| ✓ Experiences excessive changes in investment management personnel. |
| Operations              | ✓ Is underutilized by participants in a Plan.  
| ✓ Experiences operational problems with accuracy of transactions.  
| ✓ Experiences problems processing liquidations and contributions. |

It should be noted that certain accounts in the IRC §403(b) Plan are held in individual annuities or individual custodial accounts. Because of the structure of the individual annuities and contracts, the Committee does not have control of the “investment options” in those investment products. Therefore, for the purposes of this Policy, the term “Investment Option” shall not apply to any individual annuity or individual contract in the IRC §403(b) Plan. Further, the IRC §403(b) Plan also maintains a series of “frozen” IRC §403(b) individual annuities and custodial accounts. These investments, while generally governed by the IRC §403(b) Plan, are not subject to the investment control, management or monitoring by the Committee as are the other Investment Options in the Plans. This responsibility remains with the individual participant who is participating in those programs.
IX. COMMUNICATIONS TO PARTICIPANTS

The Committee or its designee will take reasonable steps to communicate the general characteristics of the various investment alternatives to participants. These communications will include a description of the relative investment risk associated with each alternative. Also, the Committee or its designee will describe and follow the administrative rules and procedures established by the Committee or required under applicable law.

X. DUTIES OF TRUSTEE AND CUSTODIAN OF ASSETS

The University has appointed [Fidelity Management Trust Company] as a directed trustee (the “Trustee”) of the Trust. Generally, the Trustee acts only at the direction of the participants in the Plan, the Committee or the University. The Trustee has certain responsibilities, including:

- Safekeeping the assets of the Trust in accordance with the Trust Agreement;
- Valuing the assets of the Trust and providing reports to facilitate the allocation of the earnings to the participants in the Plan;
- Maintaining and producing records and reports pertaining to the administration of the Trust; and
- Maintaining and investing in short-term investment accounts for investing cash otherwise invested pursuant to the terms of the Plan.

In addition to the Investment Options held by a Trustee, certain of the Investment Options are held inside of individual annuities or “custodial accounts” which are governed by the individual annuity contracts and custodial contracts which govern such accounts. Specifically, the IRC §403(b) Plan utilizes a custodian (the “Custodian”) in lieu of a Trustee. A Custodian performs many of the same services as the Trustee for the assets held in the IRC §403(b) Plan.

XI. PLAN RECORDKEEPING

The Committee may enter into a separate recordkeeping agreement for the Plans with respect to which no more than reasonable fees will be charged by the recordkeeper. The Committee will review the agreement and services provided from time to time to determine whether a change in the recordkeeping agreement is needed. A separate recordkeeping agreement will be executed for each Plan.

At least quarterly, participants will be notified of the rates of return of the Investment Options. Other information may be included which will help the participants make informed decisions regarding their investment alternatives. In providing information to participants in the Plan, the Committee will require that the recordkeeper will develop a website with
electronic capability of reporting all required information or make such information available to the participants in the Plans.

Other duties of the recordkeeper include:

- Maintaining access to an automated voice response system for participants to gain access to their account information, 24 hours a day, seven days a week.

- Maintaining a call center for participants to call to learn about and transact with their retirement program.

- Investing participant and University contributions within a reasonable time period, usually within the same business day as receipt of funds if before market close.

- Generating and mailing participant statements for all assets record-kept by the recordkeeper within 20 business days of the end of the statement period.

- Assisting the Plans’ staff in administering complex transactional functions, such as loans, distribution payments, hardship withdrawals, Qualified Domestic Relations Orders, and vesting schedules (as applicable).

- Assisting the Plans’ staff and counsel to update and maintain the Plans documents and procedures to be compliant with any and all federal and state laws, including new legislation, as necessary.

- Providing the Committee and staff with regular reports of the activities of the recordkeeper, including participant education services, on-site seminars, call center statistics, and contributions and distributions executed on behalf of the Plans.

XII. REVIEW/CHANGES TO INVESTMENT POLICY STATEMENT

Periodically, the Committee will review this Policy to determine whether any changes are appropriate.

The Investment Options (not only those satisfying the above criteria) are intended to give each participant a reasonable opportunity to materially affect the potential return of the participant’s Plan account and the overall level of risk to which the participant’s Plan account is exposed and provide each participant the opportunity to diversify the participant’s Plan
account so as to minimize the risk of large losses, taking into account the nature of the Plan and the size of participants’ accounts in the Plan(s).

XIII. THE CONSULTANT

The Committee may retain an independent entity (the “Consultant”) to assist the Committee in the overall strategic investment direction of the Plan. The Committee views the Consultant as a key participant in assisting them to fulfill their role and duties. The Consultant will be a fiduciary for the Plans with respect to the services it provides.

The duties and responsibilities of the Consultant include, but are not limited to, the following:

A. Suggesting appropriate investment strategies;

B. Making recommendations to the Committee from time to time concerning asset allocation within any “model” portfolios.

C. Initiating written communication with the Committee whenever the Consultant believes the guidelines should be changed.

D. Monitoring and evaluating the performance of the Investment Managers and Investment Options and the ongoing progress of the Investment Option toward, and in compliance with, stated investment goals and objectives.

E. The Consultant will serve as an important communications conduit to the Committee regarding Investment Managers. It is the responsibility of each Investment Manager to inform the Investment Committee and the Consultant separately of any changes to the ownership, organizational structure, professional staffing or investment strategy pursued by the Investment Managers. The Consultant will also provide the Committee with this information on a prompt and timely basis.

F. Suggesting corrective action if an investment strategy or an Investment Manager or Investment Option fails to meet expectations.

G. Suggesting strategy changes in response to material changes in the capital market environment.

H. Submitting, at least quarterly, reports outlining the performance results of the Investment Managers, and the current condition of the capital market environment.
I. Assisting the Committee, as needed, in the selection of new Investment Managers and Investment Options.

J. Attending the regular meetings of the Committee or its representatives and at other times as reasonably requested.

In all cases, the Consultant shall not exercise discretionary authority with respect to the Plans or assets of the Plans. The Consultant shall not be responsible for the administration of the Plans.

XIV. INVESTMENT OPTIONS AND PERFORMANCE MEASUREMENT

The assets of the Plans are invested under the supervision of the Committee. However, each participating employee directs all investments to any of the Investment Options offered under the Plans. By virtue of allocation and fund choices, each employee determines the amount of investment risk he or she is willing to accept. The Investment Managers are responsible for the specific composition of each of the Investment Options. Additionally, the Investment Managers shall be responsible for the diversification within each Investment Option. Investment performance of the Investment Options will be monitored relative to appropriate market indices and investment funds with similar styles.

XV. INVESTMENT MANAGERS’ RESPONSIBILITIES

A. Legal Compliance

The Investment Managers are responsible for strict compliance with the provisions of all relevant laws and regulations as it pertains to their duties and fiduciary responsibilities.

B. Evaluation Timetable

The Investment Managers shall be expected to provide such data as is required for investment performance monitoring to the Committee within 30 days following the end of each quarter. Additionally, the Investment Managers shall provide transaction registers and portfolio valuations, including cost and market data, on a monthly basis. Unless waived by the Committee, the Investment Managers are expected to meet with the Committee at least annually to review the following conditions:

1. The investment forecast for the following year;
2. The effect of that outlook in the attainment of the Committee’s objectives; and

3. The Investment Managers’ actual results for the preceding forecast period compared to the previously established return goal for the reporting period.

C. Notification to Committee

The Investment Managers should promptly notify the Committee, in writing, if any of the following events occur:

1. Significant changes in an Investment Manager’s organizational structure;

2. Significant personnel changes which affect the management of any Plan assets;

3. Changes in fee structure;

4. Material changes in the Investment Manager’s total assets under management; and

5. Changes in investment philosophy or investment style.

XVI. AMENDMENT

This Policy may be amended by the Committee as provided in the Charter.

Date: __________________________  THE UNIVERSITY OF OKLAHOMA RETIREMENT PLANS MANAGEMENT COMMITTEE

By: ____________________________
    Chris Kuwitzky, Chairman