

**VIRGINIA COMMONWEALTH UNIVERSITY
RETIREMENT PLANS**

INVESTMENT POLICY STATEMENT

October 14, 2003

Revised, September 30, 2005

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Purpose of the Investment Policy Statement

Virginia Commonwealth University (VCU) has developed these guidelines and objectives for use in managing the assets of the Virginia Commonwealth University Optional Retirement Plan (ORP) and Cash Match Plan (the Plans).

The following describes the purpose of this Investment Policy Statement (IPS):

- Establish the ORP Investment Policy Committee (IPC), with membership composed of faculty, financial specialists, and Human Resources, and have the Senior Vice President for Finance and Administration chair the group.
- Outline the duties and responsibilities of the IPC and the general policies and procedures under which the IPC operates.
- Outline the overall structure of each Plan's investment program; establish guidelines and procedures for the IPC to follow in performing its duties in connection with the selection of investment funds to offer as investment options under the Plans.
- Outline criteria and procedures that the IPC will use in reporting the performance of the investment options offered under each Plan to evaluate the consistency of the respective investment policies with the goals of the Plans.

The following describes the design of the Plan's investment choices:

- Provide an opportunity for the Plan participants to exercise independent control over assets in their individual Plan accounts on a timely basis.
- Provide Plan participants with the opportunity to choose from a broad range of diversified and distinct investment alternatives sufficient to create portfolios with varied aggregate risk and return characteristics.

In general, it is understood that this IPS is intended to incorporate sufficient flexibility to accommodate current and future economic and market conditions and changes in applicable accounting, regulatory, and statutory requirements. The University will review this IPS periodically to determine if modifications are necessary or desirable.

The IPC's primary objective is to provide the University with sufficient information to permit it to select investment options that meet the needs of a diverse participant group and to select these options on the basis of risk and return characteristics. To accomplish this investment objective, annuity products and publicly traded mutual funds will comprise the principal investment options made available under the Plans.

Investment Policy

Investment Objective

The investment objective of the Plans is to provide Plan participants with the opportunity to attain a range of possible returns within reasonable and prudent levels of risk by offering Plan participants a broad range of investment options and alternatives.

Time Horizon

The guidelines for investment option selection and monitoring contained in this statement are based upon a time horizon of rolling three and/or five year. To the extent the fund has a time horizon of less than three years and depending on the investment vehicle, other time frames may also be evaluated, but preferably five-year rolling time periods are used.

Plan participants with shorter-term liquidity needs will have the ability to select a short-term investment option with a primary objective of providing a stable principal value. The IPC will evaluate short-term investment options annually.

Risk Tolerances

Plan participants must recognize the challenges associated with achieving their investment objectives in light of the uncertainties and complexities of the financial markets. Plan participants may wish to tolerate some interim financial fluctuations in market values and rates of return in order to achieve their overall long run investment objectives. The IPS recognizes that Plan participants will seek various combinations of risk and return to achieve their individual investment objectives.

Based upon the reports and recommendations of the IPC, the University will evaluate each investment option's risk and return characteristics to effectively discharge its responsibilities under each Plan in the best interests of Plan participants and their beneficiaries.

Performance Benchmarks

Some asset classes list multiple performance benchmarks, which allow flexibility depending upon fund selection. The appropriate benchmark is selected depending on the fund's objective.

Investment Option Selection Guidelines

These investment option selection guidelines will form the basis for any recommendations that the IPC makes for the University. The IPC will evaluate the investment option selection guidelines as needed. In addition to the guidelines established for each asset class, all investment options selected under each Plan should meet the following criteria:

- A clearly articulated investment strategy that is consistent with the IPS asset class guidelines.
- Information pertaining to each investment option, including the history of the investment advisor and/or investment manager, key personnel, and current fee schedule or current expense ratios.
- A cost structure that is reasonable and competitive.
- Performance and risk consistent with the asset class and competitive with peer group options.

An investment option may be included that does not meet all of the guidelines listed. In addition, it is not required that every investment option detailed in the IPS be offered as an investment in the Plan or available on a particular vendor's investment platform.

Asset Classes

The University may make the following asset classes available to plan participants based on varying needs to reflect time horizons and risk tolerance. Participants may diversify among these asset classes to achieve their own desired level of risk and return.

I. Fixed Accounts

II. Money Market Funds

III. Fixed Income Funds

- Short Term Bond
- Domestic Fixed Income
- Global and International Fixed Income
- High Yield Fixed Income
- Treasury Inflation Protected Securities (TIPS)
- Fixed Income Index

IV. Equity Funds

- Domestic Large-Cap
- Domestic Mid-Cap
- Domestic Small-Cap
- Global and International
- Emerging Market
- Equity Index

V. Balanced Funds

VI. Specialty Funds

- Real Estate Investment

Fixed Accounts

Objective

Fixed Accounts guarantee principal and provide contractually specified interest rates backed by the claims-paying ability of the company.

Possible Performance Benchmark(s)

Lehman Brothers 1-3 year Government Index or benchmark that most appropriately reflects the manager style within this particular asset class

Typical Investor Profile

- Investors who seek to preserve principal and produce income.
- Investors who are currently evaluating other investment options before determining their appropriate asset allocation.
- Investors moving to more conservative investments in anticipation of retirement.

Investment Strategy

Fixed Accounts invest assets in a variety of options that may include equities, publicly traded bonds, real estate investments, mortgage loans, and direct business loans.

Investment Selection Guidelines

- Above average claims-paying ability as rated by Standard & Poor's or Moody's.
- Current credited rates that approximate or exceed prevailing market interest rates offered by other fixed accounts or guaranteed income contracts.

Money Market Funds

Objective

Money Market Funds seek to provide preservation of capital, liquidity, and a level of current income consistent with the other objectives.

Possible Performance Benchmark(s)

Three month Treasury Bill or benchmark that most appropriately reflects the manager style within this particular asset class

Each Plan will offer a limited number of money market fund options that differ in terms of risk exposure. The rate of return provided will vary over time as conditions in the money market change.

Typical Investor Profile

- Investors who want to limit their exposure to investment risk.
- Investors seeking high levels of liquidity.
- Investors who, anticipating adverse market movements, want to temporarily hold a portion of their assets in a form that avoids exposure to the risks associated with medium to long-term debt and equity investments.

Investment Strategy

Money market funds should invest in a diversified portfolio of high-quality, short-term debt obligations.

Investment Selection Guidelines

- Fund net assets of at least \$100 million.
- Three or more years of investment history, if available.
- Average maturity of 180 days or less in high-quality investments.
- Returns that approximate or exceed the performance benchmark at reasonable levels of risk.
- Returns that approximate or exceed the median level of peer group funds.

Short-Term Bond Funds

Objective

Short-Term Bond Funds seek a competitive level of current income, consistent with preservation of principal.

Possible Performance Benchmark(s)

Lehman 1-3 Year Government Index

Lehman 1-3 Year Government Credit Bond Index or benchmark that most appropriately reflects the manager style within this particular asset class

Typical Investor Profile

- Investors whose asset allocation plans include a stable, income-producing investment.
- Investors who are currently evaluating other investment options before determining their appropriate asset allocations.
- Investors moving to more conservative investments in anticipation of retirement.

Investment Strategy

Short-Term Bond Funds should comprise investment-grade quality, short-term securities, originating from a diverse and high-quality list of issuers. The securities that constitute the underlying assets of such contracts should also follow proper consideration of quality and diversification.

Investment Selection Guidelines

- No single issuer should represent more than 10% of the fund except for U.S. Government and Agency guaranteed securities.
- Average credit quality of A or higher by Standard & Poor's or Moody's.
- Returns that approximate or exceed the performance benchmarks at, reasonable levels of risk.
- Returns that approximate or exceed the median level of peer group funds.

Domestic Fixed Income Funds

Objective

Fixed Income Funds seek a level of total return that reflects current income and price fluctuation and is consistent with a portfolio of debt securities with duration of three-to-six years.

Possible Performance Benchmark(s)

The Lehman Aggregate Bond Index

The Lehman Corporate Bond Index

The Lehman ITGovt/Corporate Bond Index

The Lehman LTGovt/Corporate Bond Index

The Lehman Government Bond Index or benchmark that most appropriately reflects the manager style within this particular asset class

Typical Investor Profile

- Investors whose asset allocation plans call for income-producing investments.
- Investors seeking a fixed-income base to help cushion equity market declines but who also are willing to accept fluctuations typically associated with longer-term maturities.
- Investors moving to more conservative investments in anticipation of retirement.
- Retired investors who seek investment returns derived mostly from current income.

Investment Strategy

Fixed Income Funds should invest freely in investment grade fixed-income securities, including, but not limited to, government obligations, corporate debt securities, and mortgage-backed securities, guaranteed investment contracts, banker's acceptances, cash, and cash equivalents. The strategy may involve active management or a passive approach.

Investment Selection Guidelines

- Diversification by sector and industry other than U.S. Government securities is expected.
- Fund net assets of at least \$100 million.
- Three or more years of investment history, if available.
- Average credit quality of A or better by Standard and Poor's or Moody's.
- Returns that approximate or exceed the performance benchmarks at, reasonable levels of risk.
- Returns that approximate or exceed the median level of peer group funds.

Global and International Fixed Income Funds

Objective

Global Fixed Income Funds seek a level of total return reflecting current income and price fluctuation that is consistent with global (including the U.S.) debt securities maturing typically in the range of one to 30 years. International Fixed Income Funds seek to provide diversification through investment in the debt securities of non-U.S. companies and foreign governments.

Possible Performance Benchmark(s)

Salomon Brothers World Bond Index or benchmark that most appropriately reflects the manager style within this particular asset class

Typical Investor Profile

- Investors whose asset allocation plans call for global income-producing investments.
- Investors seeking a fixed-income base to help cushion equity market decline but who also are willing to accept fluctuations associated with longer-term maturities with diversification.
- Retired investors who seek investments returns derived mostly from current income.

Investment Strategy

Global Fixed Income Funds should invest freely in fixed-income securities, including, but not limited to, government obligations, corporate debt, mortgage-backed securities, guaranteed insurance contracts, banker's acceptances, cash, and cash equivalents. The approach may be one of active or passive management.

Investment Selection Guidelines

- Fund net assets of at least \$100 million.
- Three or more years of investment history, if available.
- Returns that approximate or exceed the performance benchmark, at reasonable levels of risk.
- Typically, maximum U.S. holdings of 25% for international funds.
- Diversification by industry or by investing in government securities.
- Returns that approximate or exceed the median level of peer group funds.

High Yield Fixed Income Funds

Objective

High Yield Fixed Income Funds seek a level of total return, which reflects current income and price fluctuation that is consistent with non-investment grade debt securities with maturities of one year or greater.

Possible Performance Benchmark(s)

FB High Yield

Merrill Lynch High Yield Master Index

Salomon Brothers High Yield Market Index or benchmark that most appropriately reflects the manager style within this particular asset class

Typical Investor Profile

- Investors seeking high current income and who are willing to tolerate greater price fluctuations than typical fixed income funds.
- Investors with an understanding of, and appreciation for, the risk and reward trade-off inherent in lower-rated debt securities carrying higher levels of default risk than investment grade securities.
- Investors seeking to diversify holdings within their fixed incomes or total portfolios.

Investment Strategy

High Yield Fixed Income Funds should invest freely in fixed-income securities that are in the form of publicly placed, interest-bearing domestic, and perhaps foreign, high-yield debt.

Investment Selection Guidelines

- Fund net assets of at least \$100 million.
- Three or more years of investment history, if available.
- Average security credit quality of B or better by Standard and Poor's or Moody's.
- Returns that approximate or exceed the performance benchmarks, at reasonable levels of risk.
- Returns that approximate or exceed the median level of peer group funds.

Treasury Inflation Protected (TIPs)

Objective

The fund seeks to provide inflation protection and income consistent with inflation-indexed securities and long-term returns that exceed the performance of the Lehman Brothers U.S. Treasury Inflation Notes Index.

Possible Performance Benchmark(s)

Lehman Brothers U.S. Treasury Inflation Notes Index or benchmark that most appropriately reflects the manager style within this particular asset class

Typical Investor Profile

Investors who seek higher income potential than with a money market fund, those who want to maintain a hedge against inflation, or who desire to balance more aggressive investments with one providing potentially steady income.

Investment Strategy

The fund will invest primarily in inflation-indexed bonds issued by the U.S. Government, its agencies and instrumentalities and corporations.

Investment Selection Guidelines

- Fund net assets of at least \$100 million
- Three or more years of investment history, if available.
- Average credit quality of A or better by Standard and Poor's or Moody's.
- Returns should exceed the total return of the benchmark for rolling 5-year periods net of all costs.

Fixed Income Index Funds

Objective

Fixed Income Index Funds seek long-term capital appreciation through passively investing in a portfolio designed to provide a return approximately equal to the performance of an unmanaged index. Index funds seek to minimize expenses by avoiding the costs associated with active portfolio management.

Possible Performance Benchmark(s)

Lehman Aggregate Bond Index or benchmark that most appropriately reflects the manager style within this particular asset class

Typical Investor Profile

Investors who want returns that should approximate those of specific sectors or total market segments of the U.S. debt markets with reduced expenses.

Investment Strategy

Index funds should invest in fixed income securities that will produce returns approximately equal to the return on the associated market indices. These funds should minimize management fees, transactions costs, and other expenses whose presence would cause shortfalls in performance relative to the underlying indices.

Investment Selection Guidelines

- Fund net assets of at least \$100 million.
- Three or more years of investment history, if available.
- Returns that approximate the performance benchmark.

Domestic Large-Cap Equity Funds

Objective

Large-Cap Equity Funds seek investment results that approximate or exceed the aggregate price and yield performance of the Standard & Poor's 500 Composite Index (or other index designed to measure the performance of large capitalization stocks) over a market cycle.

Possible Performance Benchmark(s)

Russell 1000 Growth Index

S&P 500 Composite Index

Russell 1000 Value Index or benchmark that most appropriately reflects the manager style within this particular asset class

Russell 1000 Index

Typical Investor Profile

- Investors willing to tolerate fluctuations in share value to achieve long-term results.
- Investors who seek the growth potential that U.S. equity investments offer.
- Investors whose asset allocation plan calls for a U.S. equity investment.

Investment Strategy

Large-Cap Equity Funds invest in a diversified portfolio and in equity securities of U.S.-based companies with medium to large market capitalization.

Large-Cap Equity Funds may pursue investment styles that include Aggressive Growth, Growth, Growth and Income, or Value.

Investment Selection Guidelines

- Fund net assets of at least \$100 million.
- Three or more years of investment history, if available.
- Average market capitalization of issuers of at least \$5 billion.
- Less than 25% of the portfolio invested in international equities.
- Returns that approximate or exceed the performance benchmarks, at reasonable levels of risk.
- Returns that approximate or exceed the median level of peer group funds.

Domestic Mid-Cap Equity Funds

Objective

Mid-Cap Equity Funds seek capital appreciation by investing in equity securities issued by companies with medium market capitalization.

Possible Performance Benchmark(s)

Russell Mid-Cap Indexes or benchmark that most appropriately reflects the manager style within this particular asset class

Typical Investor Profile

- Investors willing to tolerate average fluctuations in share value to achieve long-term results.
- Investors seeking the potential for capital appreciation offered by medium market capitalization of U.S. equity investments.
- Investors who seek returns that should approximate those of the mid-cap segment of the U.S. equity markets.
- Investors whose asset allocation plans call for a U.S. mid-cap equity investment.

Investment Strategy

Mid-Cap Equity Funds should invest a significant portion of their assets in securities of U.S.-based companies with medium market capitalization. The portfolio should be managed such that the long-term risk and returns of the fund over its time horizon approximate those available from the S&P 400 Mid-Cap Index or similar indexes.

Investment Selection Guidelines

- Fund net assets of at least \$100 million.
- Three or more years of investment history, if available.
- Average market capitalization of issuers between \$1 billion and \$5 billion.
- Less than 25% of the portfolio invested in international equities.
- Returns that approximate or exceed the performance benchmarks at reasonable levels of risk.
- Returns that approximate or exceed the median level of peer group funds.

Domestic Small-Cap Equity Funds

Objective

Small-Cap Equity Funds seek long-term capital appreciation through investment in equity securities of small publicly traded companies.

Possible Performance Benchmark(s)

Russell 2000 Index

Russell 2000 Value Index

Russell 2000 Growth or benchmark that most appropriately reflects the manager style within this particular asset class

Typical Investor Profile

- Investors willing to tolerate fluctuations in share value to achieve long-term results.
- Investors seeking the capital appreciation potential offered by small market capitalization of U.S. equity investments.
- Investors seeking returns that should approximate those of the small-cap segment of the U.S. stock market.
- Investors whose asset allocation plans call for a U.S. small-cap equity investment.

Investment Strategy

Small-Cap Equity Funds should invest in equity securities of U.S. based companies with small market capitalization. The portfolio should be managed such that the long-term risk and returns of the fund over its time horizon approximate those available from the Russell 2000 Indexes.

Investment Selection Guidelines

- Fund net assets of at least \$100 million.
- Three or more years of investment history, if available.
- Average market capitalization of issuers of less than \$1 billion.
- Less than 25% of the portfolio invested in International Equities.
- Returns that approximate or exceed the performance benchmarks, at reasonable levels of risk.
- Returns that approximate or exceed the median level of peer group funds.

Global and International Equity Funds

Objective

International Equity Funds seek to provide global diversification through investment in the equity securities of non-U.S. companies. Global Equity Funds seek to provide diversification through investment in the equity securities of both U.S. and non-U.S. companies.

Possible Performance Benchmark(s)

MSCI EAFE Index or benchmark that most appropriately reflects the manager style within this particular asset class

Typical Investor Profile

- Investors willing to accept fluctuations in share value to achieve attractive long-term results.
- Investors whose asset allocation plans call for international equity investments.
- Investors seeking the diversification and return potential that foreign or a mixture of U.S. and foreign equity investments offer.

Investment Strategy

International Equity Funds should invest in non-U.S. equity securities. Global Equity Funds should invest in a combination of U.S. and non-U.S. securities. For both categories, it is important to manage the portfolio so that the risk and returns available on these funds over the time horizon approximate those available from a MSCI Index that models the individual fund's investment objective.

Investment Selection Guidelines

- Fund net assets of at least \$100 million.
- Three or more years of investment history, if available.
- Returns that approximate or exceed the performance benchmarks, at reasonable levels of risk.
- Maximum U.S. holdings of 25% for International Funds.
- Returns that approximate or exceed the median level of peer group funds.

Emerging Markets Funds

Objective

Emerging Market Funds seek to provide global portfolio diversification through investment in companies located in countries that are less developed than the United States or developed foreign markets.

Possible Performance Benchmark(s)

MSCI Emerging Markets Index or benchmark that most appropriately reflects the manager style within this particular asset class

Typical Investor Profile

- Investors seeking to take advantage of the return potential in developing countries but who have an understanding of and tolerance for other risk factors, including currency fluctuations and more volatile economic and political environments in these emerging markets.
- Investors seeking portfolio diversification offered by foreign investments that have historically exhibited lower correlation with the U.S. market.
- Investors willing to accept fluctuations in share value to achieve potentially attractive long-term results.
- Investors whose asset allocation plans call for international equity investments.

Investment Strategy

Emerging Markets Funds should invest in equity securities of the world's emerging economies such as Argentina, Brazil, Mexico, and Turkey. It is important to manage the portfolio so that the risk and returns available on this fund over the time horizon approximate those available from the MSCI Emerging Markets Index.

Investment Selection Guidelines

- Fund net assets of at least \$100 million.
- Three or more years of investment history, if available.
- Returns that approximate or exceed the performance benchmark, at reasonable levels of risk.
- Returns that approximate or exceed the median level of peer group funds.

Equity Index Funds

Objective

Equity Index Funds seek long-term capital appreciation through passively investing in a portfolio of securities designed to provide a return approximately equal to the performance of an unmanaged stock index. Different index funds target different components of the equity market. Index funds seek to minimize expenses by avoiding the costs associated with active portfolio management.

Possible Performance Benchmark(s)

MSCI World Index

S&P 500

Wilshire 5000

Russell 3000 or benchmark that most appropriately reflects the manager style within this particular asset class

Typical Investor Profile

Investors seeking returns that should approximate those of specific sectors or total market segments of the U.S. or international equity markets with reduced expenses.

Investment Strategy

Index funds should invest in equity securities that will produce returns approximately equal to the return on the associated market indices. These funds should minimize management fees, transactions costs, and other expenses whose presence would cause shortfalls in performance relative to the underlying indices.

Investment Selection Guidelines

- Fund net assets of at least \$100 million.
- Three or more years of investment history, if available.
- Returns that approximate the performance benchmarks.

Balanced Funds

Objective

Balanced Funds seek to secure total returns from a blend of fixed income and equity investments.

Possible Performance Benchmark(s)

A benchmark that most appropriately reflects the manager style within this particular asset class

Typical Investor Profile

- Investors willing to allow fund management to periodically determine and change, if needed, the fund allocation percentages based on management's beliefs about the prospects of future markets.
- Investors seeking to achieve diversification across asset classes by investing in one fund.
- Investors who wish a professional fund manager to allocate funds across different asset classes depending on his/her age and risk tolerance.

Investment Strategy

Balanced Funds allocate assets among the three primary asset classes (stocks, bonds, and cash). The fund management regularly reviews these allocations and may gradually adjust them to reflect a mix providing the most favorable total return outlook based on current market conditions.

Investment Selection Guidelines

- The fund's investment strategy for equities should emphasize diversification across industries to avoid excessive concentration in a few industries.
- Fund net assets of a least \$100 million.
- Typically, maximum international exposure of 50%.
- Three or more years of investment history, if available.
- Returns that approximate or exceed the performance benchmarks, at reasonable levels of risk.
- Returns that approximate or exceed the median level of peer group funds.

Specialty Funds – Real Estate Investment Funds

Objective

Real Estate Investment Trust (REITs) Funds seek to provide current income and portfolio diversification through investment in high-yielding real estate investments.

Possible Performance Benchmark(s)

Wilshire REIT Index

NCREIF Total Index or a benchmark that most appropriately reflects the manager style within this particular asset class

Typical Investor Profile

- Investors seeking portfolio diversification offered by REITs whose pattern of returns have historically differed from the U.S. debt and equity markets.
- Investors who seek higher yields than are available on typical equity investments.
- Investors who seek to hedge inflation through exposure in real estate-related investments.
- Investors who have an understanding of and appreciation for the risk factors inherent in real estate-related investments, such as interest rate sensitivity and responsiveness to economic growth and the rate of inflation.

Investment Strategy

A Real Estate Investment Fund should invest primarily in real estate or securities with returns derived from the performance of real estate. Often, they are professionally managed firms that specialize in the development and management of real-estate properties. Examples of different types of sector-specific REITs include apartments, factory outlets, health care facilities, and hotels.

Investment Selection Guidelines

- Fund net assets of at least \$50 million.
- Three or more years of investment history, if available.
- Returns that approximate or exceed the performance benchmark, at reasonable levels of risk.
- Returns that approximate or exceed the median level of peer group funds.

Use of Consultants and Other Service Providers

The IPC may retain a financial consultant, whose functions will include the following actions:

- Rendering advice and/or guidance on investment policy regarding the management of Plan assets.
- Providing periodic formal reviews (no less than annually) to the IPC and formal annual reviews to the University on the performance of existing investment options based on the established criteria. These reviews will include recommendations for changes where appropriate.
- Recommending investment options and communications based on Plan participant demographics, Plan participation rates, employee deferral rates, and the allocation of Plan participant account balances.

At its discretion, the IPC may retain the services of other professionals in order to aid the University in discharging its obligations under this IPS. Such consultants and service providers may include the following individuals:

- Trustees
- Investment Fund Managers
- Record Keepers/Administrators
- Financial Consultants
- Tax Advisors
- Auditors
- Lawyers
- Accountants

Responsibility and Periodic Review

On a periodic basis (no less than annually), the IPC, with the assistance of its consultant(s), if applicable, shall conduct the following activities:

- Compare each investment option's results with appropriate indices or benchmarks.
- Measure and review each investment option's performance and expense ratios.
- Review each investment option's adherence to the IPS selection guidelines and apply the Investment Option Termination Guidelines, as appropriate.
- Analyze each investment option's risk and performance characteristics against its relevant benchmark for rolling three- and/or five-year periods. Risk may be measured by comparing the standard deviation of the investment option to the standard deviation of the option's objective universe (for example, aggressive growth or growth).
- Identify any material changes in any investment option's (or its investment advisor's) organization, investment philosophy, personnel, and/or fee structure.
- Review all vendor, consultant, and service provider fees.
- Review Plan participant account balances and elections for trends pertinent to investment performance.

On a periodic basis (no less than annually), the University shall conduct the following activities:

- Review the annual summary and consider any recommendations of the IPC.
- Make revisions to the IPS to reflect changing conditions within the Plans or to refine the IPS in order to make it more effective.
- Make deletions or changes in investment options offered under the Plans.

Investment Option Termination Guidelines

On an on-going basis, the IPC will review investment options for possible replacement. Reasons for replacement may include, but are not limited to, the following:

- **Significant failure to meet the requirements of the Investment Option Selection Guidelines.**
- **Significant under-performance relative to the investment option's benchmark.**
- **Acceptance of significantly more risk than the investment option's benchmark index.**
- **Where appropriate, indicators of risk (for example, effective maturity, weighted coupon, and duration) that differ significantly from the option's peer universe.**
- **Change or loss of key personnel of an investment option (or its investment advisor).**
- **Significant increase or decrease of assets under management over a 12-month period (that are unrelated to changes in market value).**
- **A real or perceived change in investment style or discipline.**
- **The identification by the IPC and approval of the University of more suitable investment options.**
- **Failure to attain a majority vote of confidence of the IPC.**

Voting of Proxies

In accord with the right of the Plan participants to direct the investment of their Plan accounts, where applicable, the right to vote proxies and tender shares of any investment option held in their accounts will be passed through to the Plan participants. If a Plan participant fails to exercise such right, neither Virginia Commonwealth University nor the Trustee(s) shall vote such proxies or tender such shares, as the case may be.

Amendment and Termination

This IPS may be amended or terminated upon the written recommendation of Virginia Commonwealth University.

Acknowledged by:

Name

Title

Date